



M. J. "MIKE" FOSTER, JR.
GOVERNOR

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

June 1, 1999

MEMORANDUM SA 99-32

TO: All State Agencies

FROM: F. Howard Karlton, CPA
Director

SUBJECT: Instructions for Preparation of Annual Fiscal Report (AFR)

Enclosed are the instructions and forms necessary for the completion of your reporting entity's Annual Fiscal Report for the period ending June 30, 1999. The packet contains references regarding legal budgetary basis and variances from that basis. It is our opinion that, except for certain federal revenue/expenditure activity, the legal budgetary basis is equivalent to modified accrual basis of accounting on Schedule 1. Therefore, no variation explanations will be required for governmental fund types.

As in prior fiscal years, you will receive "lead" statements for Statements A and B as well as Schedules 1, 3, and 4. You will notice there were no changes made to these forms. In an effort to aid agencies, all applicable information in the ISIS files has been accumulated and the schedules produced. The lead schedules and statements, which will be sent to you, are to be returned with your completed AFR packet. There is no need to retype them.

Most information needed for Column I on these statements is in ISIS, but certain information must be uploaded into the system with a journal voucher. Specifically, those amounts in Column I of both Statements relative to general appropriations which are not already in ISIS must be added by means of a journal voucher. A Schedule 2 is again included in this packet. It lists those accounts for which dollar values are not included in ISIS. **Each agency is to complete the appropriate lines on this schedule and submit it to OSRAP by August 3, 1999. OSRAP will then prepare a journal voucher to upload this information into ISIS. The journal vouchers will be entered during the fourteenth accounting period. This will supply the information necessary to complete the automated Statements A and B. The journal vouchers will then be reversed before the close of (APRD02) accounting period 02, so the agency's financial position will appear exactly as it did at the close of the thirteenth period.** In the interim, however, financial data on certain ISIS tables will be altered by the journal vouchers.

Memorandum SA 99-32

June 1, 1999

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ISIS-prepared AFRs will be forwarded to your agency immediately after the close of the thirteenth period. As in the past, changes made to the Schedules should be made on the original. Any adjustments needed on the Statements should be made in Column II on both Statements A and B. Column III on both Statements will be the sum of Columns I and II and represents Column I restated. **Column III must be filled in whether you post adjustments in Column II or not.** Expenditures will continue to be reported by program. Therefore, the payroll accrual which will be reported on Statement B will have to be separated by program.

Information from Schedules 6 and 6-1 will be added by each agency in the appropriate columns on Statements A and B. This procedure will not change.

Each agency has the option of making changes and additions on the original statement produced by ISIS or retyping the Statements. Please try to use the original statements or schedules and insert the adjustments in column II. **If you retype any system-generated lead schedules or statements, please include that report with your pencil changes in the packet you submit to OSRAP.** Furthermore, the forms sent to this office should not be reduced on a copier.

As in the past, agencies should consider materiality before making adjustments to ISIS-generated statements and schedules. Remember your agency reports are intended "to present fairly, in all **material** respects, the financial operations" of your agency. In this regard, the following table will be the basis of determining materiality and will assist you in your decision of adjusting the system reports or submitting them unchanged. If your aggregate adjustments are \$100,000 or more, we ask that you adjust the lead statements or schedules regardless of the conclusions drawn from the materiality table. Additionally, in deciding if adjustments should be made, you should use the aggregate amount of all adjustments. For example, if you have \$300,000 in expenditures with five adjustments totaling \$15,000 or more, you should take the adjustment. Each adjustment does not stand on its own. Materiality under the sliding scale method may be determined by multiplying the appropriate factor below by total revenues or expenditures. Using the table, apply the corresponding factor, interpolating as necessary between two factors.

| <u>Revenues/Expenditures</u> | <u>Factor</u> |
|------------------------------|---------------|
| \$ 300,000 | .050 |
| 1,000,000 | .017 |
| 5,000,000 | .015 |
| 10,000,000 | .012 |
| 50,000,000 | .008 |
| 100,000,000 | .007 |
| 1,000,000,000 | .005 |

Materiality factors are designed as an aid in completing this AFR. To ensure that the materiality tables shown above are not impacting the state's CAFR adversely, keep a record of all the differences you discover and do not reflect on your financial statements. **This list must be forwarded with the AFR packet to both the Legislative Auditors and to this office.**

You will note this year we are again requesting that the Schedule 5 (Prior Year Appropriation Disposition Report) be forwarded to this office under separate cover by **July 16, 1999**. This report has been modified to show only the "Surplus and Other Adjustments" associated with each agency. If your agency had any adjustments to prior year accounts receivable or accounts payable, note the change(s) on the schedule with a complete explanation.

Additionally, you are requested not to round all financial data presentations to the nearest dollar. In preparing the "lead" statements under ISIS, we will be using dollars and cents. We found that rounding on the various statements and schedules caused some variances in fund balances and columnar totaling. To avoid this, we have expressed all amounts to the penny.

GASB Statement 31 was effective for fiscal years beginning after June 15, 1997. To clarify required disclosures, cash and cash equivalents are now being shown as deposits with financial institutions for Note O presentations. The note has been expanded to add definitions and the disclosures required by GASB 31. Although the definitions have been added, there have been no changes in the disclosures for deposits with financial institutions. GASB 31 does not affect the way deposits with financial institutions are reported.

Nonparticipating interest earning contracts and money market investments with a maturity of *less than one year at time of purchase* may be reported at amortized cost. Amortized cost is comparable to the carrying value reported in previous years and will be reported in the same manner as in prior years. Investments reported at amortized cost will be included with investments required to be reported at fair value for the disclosures in Note O.2.

Nonnegotiable Certificates of Deposit (Cds) are to be reported in the "Deposits with Financial Institutions" section of Note O regardless of their maturity date. If your agency has investments in negotiable Cds, these must be reported at fair value in the "Investments" section of Note O and appropriate disclosures included.

The formats for category of risk disclosure for investments and deposits with financial institutions have not changed. Those investments which must be reported at fair value will show the same total in the "Reported Amount" and the "Fair Value" columns. You will need to identify investments which may be reported at amortized cost separately from those reported at fair value.

If you were not required to implement GASB 31 in fiscal year 1998 because of your fiscal year end, and have investments which must be reported at fair value, you will have to make an adjustment to beginning fund balance/retained earnings because this is a change in accounting principle. This amount is to offset the change in investments whether it is an increase or decrease.

The forms and instructions are designed to meet the general needs of most reporting units; however, this should not preclude adaptations (after approval from this office) for units having unique reporting situations.

Beginning with this fiscal year, the Escrow Fund on Schedule 6-1 will show the activity occurring during the 45 day close. Therefore, the form has been restructured to include receivables and payables. Please note that this is for Escrow Funds only and does not apply to the Payroll Clearing Account.

A copy of your 1998 Annual Fiscal Report is included in this package.

You are not required to submit copies of system reports with your AFR (Except Statements A and B; and Schedules 1, 3, and 4). The reports that you need not submit include the appropriation reports, agency trial balances, and copies of any ad hoc reports, etc.

Beginning with this fiscal year, Schedules 9(Schedule of Budgeted Professional Services), Schedule 10(Schedule of Per Diem Paid Board (Commission) Members, by Fund), Schedule 11(Schedule of Consultants Fees for Feasibility Studies and Other Special Reports, by Fund), and Schedule 12(Schedule of Net cost Per Patient Day) have been eliminated.

Any changes from last year in the instructions, AFR, and notes shall appear in bold lettering.

The completed packet should include the following statements and schedules:

- A. Statements
 - 1. Statement A (Combined Balance Sheet - All Appropriated and Non-Appropriated Funds)
 - 2. Statement B (Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriated and Non-Appropriated Other Funds)
- B. Schedules
 - 1. Schedule 1 (General Operating Appropriation Funds, Schedule of Revenues and Expenditures - Budgetary Comparison, Current Year Appropriation Budget Legal Basis)
 - 2. Schedule 2 (Off-System Balances)-Due in this office by August 3, 1999

3. Schedule 3 (Schedule of Appropriated Revenue by Type - General Operating Appropriation Funds)
4. Schedule 3-1 (Schedule of Adjustments Due to Cash Basis Programs)
5. Schedule 4 (Schedule of Non-Appropriated Major State Revenue and Income Not Available)
6. Schedule 5 (Prior Year Appropriation Disposition Report - General Appropriation Funds) - Due in this office by 7/16/99.
7. Schedule 6 (Schedule of Revenues, Expenditures and Changes in Fund Balance - Non-Appropriated Other Funds)
8. Schedule 6-1 (Schedule of Changes in Balance(s)-All Agency Funds)
9. Schedule 8 (Schedule of Federal Financial Assistance)
10. Schedule 13 (Schedule of Interagency Receipts)
11. Notes to the Financial Statement

To assist in completing your report, we are forwarding to your agency, a copy of your corrected AFR and Notes from fiscal year 1998. This will assist you in preparing Note R for fiscal year 1999. The reports needed to complete Schedule 5 will be forwarded to you under separate cover.

The following deadlines must be adhered to:

July 16, 1999 - Completed Schedule 5 submitted to OSRAP

August 3, 1999 - Completed Schedule 2 submitted to OSRAP

September 1, 1999 - Original, notarized AFR packet to OSRAP

A copy of the Annual Report must be forwarded under separate cover, with an original, signed affidavit, to the Legislative Auditor's Office, (Post Office Box 94397, Baton Rouge, LA 70804-9397) as they will not send out separate affidavit forms. Please be certain that copies of all statements and schedules are included. Also, original affidavits must be sent to the Office of Statewide Reporting and Accounting Policy and the Legislative Auditor's Office. These must be original documents which have been signed and notarized.

If you should have any questions concerning the above, you may contact the Office of Statewide Reporting and Accounting Policy analyst assigned to your agency. Please see the attached list.

FHK:PS

Enclosure

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AGENCY ASSIGNMENTS

| <u>DEPARTMENT</u> | <u>ANALYST</u> | <u>PHONE #</u> |
|--|-------------------------------|----------------------|
| Office of the Governor (except 107) 01-100 through 01-133 | Pam Stephens (2) | 342-0712 |
| Executive Office 01-107 | Pam Stephens | 342-0712 |
| Elected Officials 04-139 through 04-165 04-147 and 148 | Renee Withers Pam Stephens | 342-1089 342-0712 |
| Judiciary (All) | Valinda Smith | 342-2209 |
| Economic Development 05-249 through 05-259 | Yuchi Fong | 342-0709 |
| Culture, Recreation, and Tourism 06-261 through 06-267 | Yuchi Fong | 342-0709 |
| Department of Transportation 07-273 through 07-276 | Rae Hurry | 342-0710 |
| Corrections 08-400 through 08-416,450,451 | Pam Stephens (1) | 342-0712 |
| Public Safety 08-418 through 08-425,966,928 | Rae Hurry | 342-0710 |
| Natural Resources 11-430 through 11-435 | Pam Stephens | 342-0712 |
| Revenue and Taxation 12-440 through 12-441 | Pam Stephens | 342-0712 |
| Environmental Quality 13-850 through 13-855 | Deborah Zundel | 342-0711 |
| Labor 14-473 through 14-475 | Pam Stephens | 342-0712 |
| Wildlife 16-512 through 16-514 | Pam Stephens (1) | 342-0712 |
| Civil Service 17-560 through 17-564 | Nelson Green | 342-1090 |

| <u>DEPARTMENT</u> | <u>ANALYST</u> | <u>PHONE #</u> |
|--|-------------------------------|----------------------|
| Retirement (All) | Valinda Smith | 342-2209 |
| DHH and DSS 09-305/306/307/326/330/340/351 09-311/319 | Pam Stephens Renee Withers | 342-0712 342-1089 |
| DHH - Mental Health Facilities 09-331 through 09-338 | Renee Withers | 342-1089 |
| DHH - Schools 09-341 through 09-349 | Pam Stephens (2) | 342-0712 |
| DSS 10-355 through 10-374 | Pam Stephens | 342-0712 |
| Education (Excluding Colleges and Vo-Techs) 19-651 through 19-699 | Nelson Green | 342-1090 |
| Vocational-Technical Centers: 19-702 through 19-704 | Pam Stephens | 342-0712 |
| 19-711 through 19-721 | Deborah Zundel | 342-0711 |
| 19-731 through 19-734 | Yuchi Fong | 342-0709 |
| 19-741 through 19-746 | Valinda Smith | 342-2209 |
| 19-751 through 19-754 | Rae Hurry | 342-0710 |
| 19-761 through 19-765 | Renee Withers | 342-1089 |
| 19-771 through 19-777 | Deborah Zundel | 342-0711 |
| 19-781 through 19-786 | Yuchi Fong | 342-0709 |
| Special Acts | Valinda Smith | 342-2209 |
| Other Requirements 20-906 through 20-980 | Rae Hurry | 342-0710 |
| Group Benefits | Sue Seab | 342-1088 |
| Risk Management | Sue Seab | 342-1088 |

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SECTION: Instructions for Preparation of Annual Fiscal Report Page 1
UNIT TYPE: All State Agencies
PROCEDURES: Sequential Steps in the Preparation of the Annual Fiscal Report

1. Prepare Schedule 5 (Prior Year Appropriation Disposition Report - General Appropriation Funds) and forward to the Office of Statewide Reporting and Accounting Policy under separate cover by 7/16/99. **Do not round to the nearest dollar.**
2. Complete Schedule 2 used to upload the information needed for Statement A and B by August 3, 1999.
3. Begin preparing Notes to the Financial Statement
4. Prepare Schedule 3 (Schedule of Appropriated Revenue by Type - General Operating Appropriation Funds) Note: ISIS agencies will only have to adjust system-generated reports if material differences are found.
5. Prepare Schedule 4 (Schedule of Non-Appropriated Major State Revenue and Income Not Available) Note: ISIS agencies will only have to adjust system-generated reports if material differences are found.
6. Prepare Schedule 1 (General Operating Appropriation Funds, Schedule of Revenues and Expenditures - Budgetary Comparison, Current Year Appropriation - Budget - Legal Basis) Note: ISIS agencies will only have to adjust system-generated reports if material differences are found.
7. Prepare Schedule 3-1 (Agencies with cash basis programs only - Schedule of Adjustment Due to Cash Basis Programs)
8. Prepare Schedule 6 (Schedule of Revenues, Expenditures and Changes in Fund Balance - Non Appropriated Other Funds)
9. Prepare Schedule 6-1 (Schedule of Changes in Balance(s) - All Agency Funds)
10. Prepare Statement B (Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Appropriated and Non Appropriated Other Funds). Note: ISIS agencies will only have to adjust system-generated reports if material differences are found.

SECTION: Instructions for Preparation of Annual Fiscal Report Page 2
UNIT TYPE: All State Agencies
PROCEDURES: Sequential Steps in the Preparation of the Annual Fiscal Report

11. Prepare Statement A (Combined Balance Sheet - All Appropriated and Non-Appropriated Fund Types). Note: ISIS agencies will only have to adjust system-generated reports if material differences are found.
12. Prepare Schedule 13 (Schedule of Interagency Receipts)
13. Prepare Schedule 8 (Schedule of Federal Financial Assistance)
14. Complete Note presentations.

DUE IN THIS OFFICE BY JULY 16, 1999

Schedule 5 is a summarization of adjustments to prior year fund balance for general fund appropriation activities.

Section A) Surplus and Other Adjustments:

- Line 1. Surplus Remitted to General Fund - Enter the total amount of surplus remitted to the State Treasurer between 08/15/98 and 06/30/99 which pertained to fiscal year 1997-1998 in Column III. (This includes self-generated and interagency surplus). Show total remittance for each Means of Financing at the bottom of Schedule 5. Appropriations remaining in the means of financing at 8/14 which are not carried forward should be included in this total.
- Line 2. Surplus Funds Remitted To Federal Government - Enter the total amount of funds remitted to the Federal Government between 08/15/98 and 06/30/99 which pertained to revenue collected in Fiscal Year 1997 - 1998 in Column III.
- Line 3. Other Funds - List any amounts which were returned to the originating funding source that were reductions of revenue.
- Line 4. Expenditure Adjustment - Enter as a negative the total of those invoices received for goods and services rendered on or before June 30, 1998, and paid with the F.Y. 1999 appropriation. This should equal Ad Hoc Run 4G03. However, if inaccuracies in the report exceeded ***the materiality factors as shown on page 2 of the memorandum***, you may adjust the report and use the adjusted amount on line 4 in place of the original report total.
- Line 5. Other - Enter any other adjustment activity not previously covered (List by item). This will include any adjustment to the fund balance by the Legislative Auditor. Should that office have changed your fund balance, post in Column III the net difference between the audited 1997-98 AFR ending fund balance and the copy returned to you in your 6/1/99 packet.
- Line 6. Deferred Revenue - Enter in Column I the amount established from Schedule A, line 34 of your 1998 AFR. The amount classified as earned during the year would be shown in Column II and the difference in Column III.

- Line 7 Cash Basis Accounts Receivable Adjustment
- a. In Column I, enter the cash basis accounts receivable established on your 1997-98 Annual Financial Report, Schedule 3-1, Column IV, line 4.
 - b. **In Column II enter the same amount as Column I.**
 - c. In Column III, enter the difference between Columns I and II. Generally, this column should be zero.
- Line 8. Cash Basis Expenditure Adjustment - Enter in Column III the difference between what was established last year and the amount actually expensed.
- Line 9. Total Adjustments to Prior Year - represents total of lines 1 through 8.

Prepare the reconciliation at the bottom of Schedule 5 to ensure that the total adjustments to prior year are correct. This must equal your fiscal year 97-98 ending fund balance from Statement B, line H, Column III.

Another copy of this reconciliation is on page 26 of this packet.

DUE IN THIS OFFICE BY AUGUST 3, 1999

Schedule 2 was designed to provide the information necessary to complete Statements A and B through ISIS and provide your agency with an automated balance sheet and income statement. You will be asked to include those accounts that in prior years you had to add to FACS accounts to manually prepare Statements A and B. The information provided on this document will then be transferred to an ISIS journal voucher prepared by OSRAP and entered into the system so that automated statements can be created.

The column entitled Agency refers to the three-digit ISIS agency number.

The column entitled Organization refers to the four-digit ISIS organization number. Remember this column will not be applicable if a balance sheet account is used.

Account numbers are provided for the balance sheet accounts. The revenue accounts must be valid revenue sources in ISIS.

Finally, the amounts to be debited and credited must be entered.

The process of completing this schedule will replace many of the adjustments that were previously necessary to complete Statements A and B. The same care and diligence should be used.

Because this effort will be combining system information with off-system information, it was necessary to create a balance sheet account entitled "CAFR Adjustment Account." Its sole purpose is to offset those entries for which there are no system offsets. For example, the debit to establish the asset, inventory, is offset with a credit to reserve for inventory. The entries for petty cash will also balance. However, the debit or credit to inventory increase/decrease has no offset. The same is true for the payroll accruals, Schedule 3-1 adjustments, and Schedule 5 adjustment. Therefore, there will be just one entry to Account 6693, CAFR Adjustment Account, that will be the balancing entry for the schedule.

1. 1999 Schedule 5 adjustment - this is the same amount that is shown on the schedule 5. If it is positive, it should be a credit, and if negative, a debit.
2. 1998 and 1999 Payroll Accruals - should equal the amounts on Note R, columns I

and II line 3 by programs. List each program separately on an attachment. The 1998 accrual will be a credit and the 1999 accruals will be a debit.

3. Payroll Payable - the amount of the 1998-99 payroll accrual which is the same as on Note R column II line 3. This will be a credit.
4. 1998 and 1999 Federal Payroll Receivable - these amounts will be the same as Note R columns I and II line 4. The 1998 receivable will be a credit and the 1999 receivable will be a debit.
5. Petty Cash in Bank, Petty Cash on Hand and Petty Cash Receivable - these three debits should equal the total petty cash assigned to your agency. The off-setting credit for this will be the Petty Cash-Advance from STO.
6. Inventory of Materials and Supplies - the total dollar amount of materials and supplies on hand at 6/30/99. This is a debit.
7. Increase (Decrease) Reserve for Inventory - the difference of reported inventory between June 30,1998, and June 30,1999. If your inventory at 6/30/99 is lower than at 6/30/98, you will enter a debt; if 6/30/99 inventory is higher than 6/30/98, you will enter a credit.
8. Beginning Fund Balance - should be the ending fund balance amount shown or as adjusted on the 1998 Statement B Line H. This may be a debit or credit.
9. Reserved for Inventory - contra to Inventory of Materials and Supplies. This is a credit.
10. Schedule 3-1: These amounts will be used to calculate revenues on Statement B.
 - a. Accruals from 1997-98:
Federal, Self-Generated, Interagency Receipts, Auxiliary, and Other - these amounts are from the 1999 Schedule 3-1, column III, in the AFR packet. These amounts will be a debit. Remember that these amounts are estimates.
 - b. Accruals from 1998-99:
Federal, Self-Generated, Interagency Receipts, Auxiliary, and Other - these are the accruals for the current year that will be on Schedule 3-1, column IV of the 1999 AFR packet. These amounts will be a credit. The accounts receivables tied to these accruals will be a debit.
11. CAFR Adjustment Account - this line is used to balance this report. The debits and credits must equal in order to process the J1.

SECTION: Instruction for Preparation of Annual Fiscal Report Page 7
UNIT TYPE: All State Agencies
PROCEDURES: Schedule 2

NOTE: The J1's that will be prepared from this schedule will not be entered into ISIS until the fourteenth period. They will be automatically reversed at a later date. Until that reversal takes place, your 1999 appropriations will be affected. After these amounts have been reversed, your appropriations, balance sheet accounts, revenues, and expenditures will be exactly as they appeared after close of the thirteenth period.

Schedule 3 is a presentation of Revenue activity for the agency appropriation (general & auxiliary) activities. It is generally intended to reflect those activities of ISIS and as such is normally a presentation of financial data on a legal budgetary basis. Non revenue items (i.e. T210, T220, T340, T100, T110, T120, T130, T310, T150, T170, T180, T190, T300, T200) are not shown on this schedule. Agencies on central cash management will receive a "lead" Schedule 3. The information on the schedule, as mentioned in the cover letter, is derived from data in ISIS. Should you not have material adjustments to this schedule, i.e., material revenue received but not classified during the 45 day close, this will be the schedule to include in your AFR. Should you have adjustments, make pencil corrections on the lead schedule in Column VII and return it to this office with your packet. Remember adjustments less than those established using the materiality factors shown in the cover letter should not be made. Those agencies not on central cash management may obtain Schedule 3 information from agency manual financial ledgers. The following is the method used in preparing the lead schedules:

1. Enter the three digit ISIS Means of Financing Appropriation Number associated with the detail appropriated fund source in Column I.
2. In Column II enter the four digit ISIS revenue source code for revenue collections in that appropriated fund source.
3. In Column III enter by ISIS revenue source code the total cash receipts received and classified through June 30,1999, from the June 30,1999, Appropriation Report. Do not include non-revenue items listed above.
4. Under Column IV enter by ISIS revenue source code the total cash receipts on deposit with the State Treasury and not classified as of June 30,1999, (assumes classification subsequent to June 30, 1999). Refer to ISIS report 5G25 Prior Year Classification of Deposits on File as of 6/30/99 Report to obtain listing of unclassified receipts and to your July/August monthly transaction listings to determine subsequent classification type.
5. Column V is the total of Columns III and IV.
6. In Column VI enter by ISIS revenue source code the accounts receivable which were collected and classified between 7/1/99 and 8/14/99 for the reported fiscal year within those appropriated sources which were not included in either Column III or IV.

SECTION: Instructions for Preparation of Annual Fiscal Report Page 9
UNIT TYPE: All State Agencies
PROCEDURE: Schedule 3 (continued)

7. Agencies on central cash management would record material adjustments to ISIS information in Column VII.
8. Column VIII "Total Revenue" is the total of Columns V, VI and VII. If classifications have been accomplished in accordance with established time frames, this amount should agree with the August 14, 1999 Appropriation Report for fiscal year 1998-99 except for adjustments in Column VII.

NOTE: The Total Revenue figure may include revenue in excess of budget. Also, direct General Fund Appropriation and Interim Emergency Board activity are not included on this schedule.

Section A is a method of adjusting 1999 ISIS Means of Financing for departments (i.e. DHH) who have cash basis programs (such as Titles 18 and/or 19). This schedule is intended to allow a means of reflecting revenue accrual data (both 1997-98 and 1998-99) against budgetary basis revenue data for those units having cash basis programs. Units without these programs are not required to complete Schedule 3-1.

1. Column I - Enter the three digit ISIS Means of Financing Appropriation Number associated with each fund.
2. Column II - Enter the total revenue from Column VIII of Schedule 3 by means of financing.
3. Column III - Enter the **accrual amounts established in** 1997-1998 by means of financing, from the Schedule 3-1, column IV in your fiscal year '98 AFR.
4. Column IV - Enter the 1999 cash basis program accruals by means of financing, i.e., revenues earned prior to June 30, 1999, but which will be deposited to the 1999-2000 fiscal year during the period July 1, 1999 through June 30, 2000.
5. Column V - Equals Column II minus III plus IV. Lines 1, 2, 3, 4, and 5 from Column V on Schedule 3-1 must equal Statement B, Column I, lines 4, 5, 6, 7, and 9 respectively. NOTE: Should there be a federal receivable relating to payroll, line 4 of Statement B would be adjusted by that amount. See the instructions under A.1. on page 17.

Section B Schedule 3-1 is a means of adjusting 1998-99 ISIS expenditures for departments which have cash basis programs.

Should you feel your agency is required to complete this part of 3-1, call your designated analyst at the Office of Statewide Reporting and Accounting Policy for further instructions.

Schedule 4 is a presentation of non-appropriated (INA, major state and other non-appropriated) revenue activity occurring within the agency unit that is not available to finance operations, and as such is normally a presentation of financial data on a legal budgetary basis which is normally equivalent to a modified accrual basis. Like Schedule 3, agencies on central cash management will receive a "lead" Schedule 4. Should you not have material adjustments, i.e., revenue adjustments in excess of those established using the factors shown on the cover letter, this will be the schedule to include in your agency financial statements. If you have adjustments, make pencil corrections on the lead schedule in Column VIII and return it to this office with your packet. Those agencies not on central cash management may obtain Schedule 4 information from agency manual financial ledgers. The following is the method used in preparing the "lead" schedules:

1. In Column I enter the three-digit ISIS Appropriation Number and title associated with the Non-Appropriated Fund Source. (Income not available will not have a separate agency appropriation number. This number will be XB2.)
2. In Column II enter the four-digit ISIS revenue collection center organization number for the revenue source being reported.
3. In Column III enter the four digit ISIS revenue source code.
4. In Column IV enter by ISIS revenue object code the total cash receipts classified through June 30,1999, received in that collection center from the related ISIS Organization Responsibility Report (2G00). Do not include non revenue accounts (i.e. T210, T220, T340, T100, T110, T120, T130, T150, T170, T310, T180, T190, T300, and T200).
5. In Column V enter by ISIS revenue source code the total cash receipts on deposit with the State Treasurer but not classified as of June 30,1999, which were classified subsequent to June 30, 1999 and prior to August 14, 1999. Refer to 5G25 Prior Year Classification of Deposits on File as of 6/30/99 to obtain listing of unclassified receipts and to your monthly transaction listing to determine subsequent classification.
6. Column VI is the total of Column IV and V.
7. In Column VII enter by ISIS revenue source code the accounts receivable which were collected and classified between 7/1/99 and 8/14/99 for the reported fiscal year which were not included in either Column IV or V.

8. Agencies on central cash management would record material (see definition on preceding pages) adjustments to ISIS information in Column VIII.
9. Column IX "Total Revenue" is the total of Columns VI, VII, and VIII. If classifications have been accomplished in accordance with established time frames, this amount should agree with the August 14, 1999 Organization Responsibility Report (2G00) for fiscal year 1998-99 except for any adjustments in Column VIII.

NOTE: Please note that Schedule 4 activity is not reported on Statement B.

Schedule 1 is intended to represent total general operation activities (both means of financing and expenditure activities authorized in the general and auxiliary appropriations acts) on a legal budgetary basis.

Schedule 1 is a "lead" schedule produced through ISIS. It will be made available to those agencies with expenditures and/or revenues on ISIS. As with the other schedules, if you do not have material adjustments, the form sent to you will be your schedule to include in your agency financial statements. No adjustments should be made unless the adjustments are greater than those established using the factors shown on the cover letter. Adjustments to this schedule may include additions to the accrual columns. Should you have received goods and/or services on or before June 30, 1999, and liquidated these invoices from your fiscal year 2000 appropriations, this amount will not be reflected on your "lead" schedule. Material amounts of such payments may be reflected as an adjustment in Column IV. Material additions to accounts receivable would also be reflected as an agency adjustment in Section A of Column IV. Remember, if you chose to retype your schedule, please return your pencil changes to this office with your packet.

The following is the method used in preparing the "lead" schedule and the instructions for those agencies not on ISIS:

1. In Column I indicate
 - A. Revenues - Total actual year-to-date receipts by Means of Financing (exception GF and IEB indicate total warrants drawn) from June 30, 1999, Appropriation Report this should equal Column V of Schedule 3 plus any non revenue activity such as T210, T220, T340, T100, T110, T120, T130, T310, T180, T190, T195, and T300. NOTE: T200 should not be included on Schedule 1. NOTE: These increases due to unclassified cash will equal the total of the revenue accounts shown on ISIS Run **5G25**.
NOTE: Agencies not on central cash management, who by law or statute carried forward funds into fiscal year 1998-99, should include these amounts in column I.
 - B. Expenditures - Total actual year-to-date cash disbursements by programs from June 30, 1999, Appropriation Report. NON-ISIS agencies may obtain information from agency financial records. NON-ISIS agencies will show gross salaries (including payroll deductions payable) in Column I and unliquidated accrued employee benefits at 6/30/99 in Column III.
Note: For ISIS agencies, Column I expenditures are adjusted by system accounts payable, debit memos, and returns of appropriation.

2. In Column II indicate

- A. Revenues - no information need be reported on these lines unless receipts classified to 1998-99 were recognized in error as revenue in the 1997-98 statement. (Note: This does not include Title 18 and 19 or ineligible patient fees for DHH.)
- B. Expenditures - indicate those payments for goods and services received or rendered on or before June 30,1998, and liquidated with fiscal year 1998-1999 appropriation. ISIS Report 4G03 lists those documents you submitted with a June 30,1998, or earlier delivery date and liquidated as a fiscal year 1998-1999 payment. No adjustment should be made for inaccuracies unless the error is *greater than those established using the sliding scale materiality factors shown on the cover letter*. NON-ISIS agencies may obtain information from agency financial records.

3. In Column III indicate

- A. Revenues - Total receivables on a legal budgetary basis by Means of Financing.
 - (1) General Fund and IEB receivables should equal the actual prior year warrants drawn and/or reversed between July 1 and August 14, 1999.
 - (2) Means of Financing receivables (lines 4 through 10) should equal Column VI on Schedule 3 plus any actual or accrued transfer activity (i.e. T110, T100, T130, T120, T180) received or disbursed between 07/01/99 and 08/14/99. (Exception: for DHH agencies DO NOT include Title 18/19 accruals on Schedule 1.)
- B. Expenditures - Total accrued liabilities by program may be derived by calculating all expenditures (account type 22) that were recorded during the thirteenth period. This would include system vouchers payable, debit memos, or returns of appropriation. An ad hoc report will be provided to assist you in verifying the accuracy of these reports. NON-ISIS agencies will obtain information from agency financial records. Column III should represent the total unliquidated bonafide obligations for goods and services received or rendered on or before 6/30/99.
NOTE: ISIS Agencies: Should your June 30,1999, Agency Trial Balance (2G01) reflect a balance for 6335 - Vouchers Payable, you may obtain the breakdown by program from run - System Payables and Debit Memos at 6/30/99. Should you have credit memos, increase the appropriate program in Column I and decrease the respective amounts in Column III for the amount of the credit memo. Should you have payables, decrease the appropriate program in Column I and increase the respective amounts in Column III. The ISIS report will show accounts payable without a sign.

Debit memos will have a negative (-) sign beside the number.

4. Agencies on ISIS would record material adjustments to system information in Column IV.
5. In Column V indicate the total of Columns I, less II, plus III, and plus or minus IV.
6. In Column VI indicate the revised appropriation amount which should agree to the Appropriation Report by Agency as of August 14, 1999 or the latest approved BA-7.
7. Column VII "Variance" is the net result of Column VI minus Column V.

NOTE: If Column VI is greater than Column V, the variance would be unfavorable for appropriated revenue and favorable for appropriated expenditures. If Column VI is less than Column V, the opposite would be the case.

Schedule 6 is necessary only if the unit has non appropriated operational activities not covered in Columns I, II, or III of Statement A. (i.e. Chapel funds, etc). Due to the possible diversity of activity type, a free format is provided. ***Be sure that the "Fund Balances at beginning of year" equals the "Fund Balance at end of year" on the prior year's report.***

Schedule 6-1 is necessary for those activities of a custodial nature, reported on Column V of Statement A. (i.e. Payroll Clearing Account, Escrow Fund, Inmate Welfare funds, etc.). As a measurement indicator is not required, only a statement of changes in account balances is requested. The spending of funds shown on Schedule 6-1 is either at the recommendation of members of the fund itself or due to the way it was deposited (payroll clearing must be paid to liquidate intended payables, for example). The reporting for 6-1 has been determined to be on a cash basis except for the Escrow Fund. **The reporting for the Escrow Fund will be on the modified accrual basis. This fund will show receivables and payables that occurred during the 45 day close. Be certain to adjust your Escrow prior year "Balance at end of year" for accruals (receivables and payables) made in the 45-day close of the prior year. This adjusted fund balance will then become your Escrow "Balance at beginning of year" for this fiscal year. DO NOT include prior year accruals in current fiscal year additions and deletions. Indicate on the form in the beginning balance differs from last year's ending balance.**

For funds reported on Schedule 6-1 other than Escrow, be certain that the "Balance at beginning of year" equals the "Balance at end of year" on the prior year's report. Should they differ, a reconciliation schedule is required.

NOTE: Agencies on Uniform Payroll will be furnished an Agency Trial Balance (2G01) for Fund K-- at June 30,1999, to aid in posting "addition" and "deduction" information on 6-1. Additions will be shown on 2G01 as 6311, 6316, 6326 Transfers from and deletions will be shown as 6310, 6315, 6325 Expense.

SECTION: Instructions for Preparation of Annual Fiscal Report Page 17
UNIT TYPE: All State Agencies
PROCEDURES: Statement B

Statement B is a recapitulation of all operational fund type activities (i.e. Appropriated and Non Appropriated Other funds) on a modified accrual basis. Information on this statement which departs from that of the legal basis reflected on Schedule 1 (i.e., Payroll Accrual, See Note R) must be fully disclosed in the notes to the financial statement. Note: Should you have made material agency off system adjustments on Schedules 1 and 3, these additional accruals would be reflected on Statement B and would be in addition to the information shown below.

Statement B is a “lead” statement produced through ISIS. If modifications are needed, please pencil in the changes and return them to this office

A. Column I

1. In Column I Section A indicate total revenues by each appropriated fund source for appropriated activities. This should be equivalent to Schedule 3 Column VIII - lines A, B, C, D, and E plus Schedule 1 Column V Section A lines 2 and 3 if the legal basis is equivalent to modified accrual. (Exception: for those agencies who have prepared a Schedule 3-1, the total federal funds, self-generated, IAT, auxiliary, and other should equal to Column V on Schedule 3-1.) If a federal receivable was established in FY '98 and/or FY '99, post from line 12 of Note R.
2. In Column I Section B indicate total expenditures for General Appropriation activities. This should be equivalent to Schedule 1 Column V Section B if the legal basis is equivalent to the modified accrual basis. (Exception: units which prepared a Schedule 3-1, the expenditures should equal Schedule 3-1, Column V, lines 5-16.) The required personal services accrual is obtained from line 8 of Note R. *Note: The total from Note R will have to be reported separately by program for Statement B.*
3. In Column I Section C
line 25 - indicate appropriated inter/intra fund transfers (i.e. T100, T120, T180) received and to be received, which occurred during the period July 1, 1998 - August 14, 1999 for fiscal year 1998-99. Should equal the total of all transfers in on Appropriation Report at 8/14/99.

line 26 - indicate appropriated inter/intra fund transfers (i.e. T110, T130, T180) remitted and to be remitted, which occurred during the period July 1, 1998 - August 14, 1999 for fiscal year 1998-99. Should equal the total of all transfers out on Appropriation Report at 8/14/99.

line 27 - indicate other operational sources (uses).

line 31 - this is the sum of lines 24, 25, 26, and 27.

4. In Column I Line E - indicate the beginning fund balance at July 1, 1998 (1998 Statement B Line H).

NOTE: Should your agency have agreed upon a requested audit adjustment for the prior year by the Legislative Auditor which resulted in an ending fund balance different from the AFR returned to you, use that ending fund balance in place of the one shown on your 1998 Statement B.

5. In Column I Line F - indicate the net increase/decrease of reported inventory between June 30, 1998, and June 30, 1999.

NOTE: Both general and ancillary inventory increase/decrease should be reflected.

6. In Column I Line G indicate total adjustments to prior year beginning fund balance. This should be equivalent to Schedule 5 Column III line 9 unless legal basis is not modified accrual. **For this year you will also add an adjustment due to the cumulative effect of the change in accounting principle (GASB 31). This would apply only if you have investments outside of the State Treasury and were not required to implement GASB 31 in fiscal year 98 because you have a fiscal year end after June 30, 1998. If this is the case, you should prepare a separate schedule showing the investments by type with a column showing the investments as shown on the 1998 AFR and at restated fair value per GASB 31 and submit with your AFR packet. See Memorandum SA 98-46 regarding implementation of GASB 31. The memo is available on our Web page - WWW.OSRAP.STATE.LA.US**

7. In Column I Line H indicate the net result of lines 31, E, F, and G. Must agree to Statement A line 42.

- B. In Column II indicate any material agency off system adjustments coming from Schedule 1 and 3.

- C. In Column III add Columns I and II for the Restated Amounts. This must be completed even if you have no adjustments in column II.

- D. In Column IV Section D

line 28 - indicate total revenues for the fiscal period of the non appropriated other fund activities from Schedule 6.

line 29 - indicate total expenditures/transfers from Schedule 6.

line 30 - indicate difference between line 28 and 29.

line E - indicate beginning fund balance. Should equal the ending fund balance as shown on the 1998 Statement B, Column III, line H.

line H - total of line 30 plus line E.

E. In Column V indicate the sum of Columns III and IV.

SECTION: Instructions for Preparation of Annual Fiscal Report Page 20
UNIT TYPE: All State Agencies
PROCEDURES: Statement A (Continued)

Statement A is a recapitulation of all fund type real account activities on a GAAP basis. Information on this statement which departs from that of a legal budgetary basis must be fully disclosed in the notes to the financial statement. Note: Should you have made material agency off system adjustments on Schedules 1 and 3, these additional accruals would be reflected on Statement A and would be in addition to the information shown below.

Statement A is a "lead" statement generated from ISIS. If modifications are needed, you have the option of retyping the statement or making changes on the original. If the statement is retyped, please begin with the same information in column I that is on the "lead" statement.

A. In Column I indicate the following:

1. Section A - Assets

line 1 - Cash in State Treasury - Means of Financing - from the June 30,1999, Agency Trial Balance (2G01) cash totals excluding 6005-General Fund and 6000-Disbursement Cash Account plus the amounts reflected in Schedule 3 Column IV for each means of financing.

line 2 - Cash in State Treasury ISIS Operating - from the June 30,1999, Agency Trial Balance (2G01) 6000 Cash Disbursement Account. Not applicable to NON-ISIS agencies. Should your agency have had unclassified returns of appropriation (ROA's) at June 30, the automated Schedule 1 has already reduced your expenditures for this amount. The offset is cash which will require a manual adjustment by the agency. Look at 5G25. Should the operating accounts have balances on this form, that total must be added to the Treasurer's Period Ending Balance and that total recorded on line 2.

line 3 - Cash in State Treasury Payroll Clearing - Not applicable to Column I or NON-ISIS agencies.

line 4 - Cash in Bank Account(s) - indicate total reconciled balance amounts on deposit with banks (other than State Treasurer). Indicate in Note O amount by type of cash or cash equivalent.

line 5 - Petty Cash - Indicate total amount of cash on hand in the unit.

line 5A - Investments - Indicate total investments at 6/30. NOTE: If these investments are held outside the State Treasury, complete Note O, part 2.

line 6 - Receivables - see lines 7 through 17

line 7 - Due from State General Fund - Indicate the total prior year warrants drawn and/or reversed from July 1, 1999 through August 14, 1999. This amount should agree with accounts receivable shown on Schedule 1 Column III line 2 for

General Fund if legal basis equals modified accrual.

line 8 - Due from Interim Emergency Fund - Indicate the total prior year warrants drawn and/or reversed during July 1, 1999 through August 14, 1999 which should agree with accounts receivable shown on Schedule 1 Column III line 3 for IEB.

line 9 - Due from Federal government - Indicate the total amount of current operational federal receivables as of 06/30/99. Should equal to accounts receivable on Schedule 3 line A Column VI, if legal basis is equal to modified accrual. For those agencies completing Schedule 3-1, the amount on Column IV, line 1, of that schedule should also be included. Additionally, if a federal receivable is established due to the payroll accrual line 4, Column II of Note R it should be added to the aforementioned totals.

line 10 - Due from self generated revenue sources - Indicate the total amount of current operational receivables as of June 30, 1999. This total should equal the accounts receivable on Schedule 3 line B, Column VI, if legal basis is equal to modified accrual. For those agencies completing Schedule 3-1, the amount on Column IV line 2 should also be included.

line 11 - Due from other agencies - Indicate the total amount of current interagency receivables as of June 30, 1999. This should equal IAT accounts receivable on Schedule 3 line C Column VI if legal basis equals modified accrual. For those agencies completing Schedule 3-1, the amount on Column IV, line 3 of that schedule should also be included.

line 12 - Due from Auxiliary - Self Generated - Revenue - Indicate the total amount of operational auxiliary receivables as of June 30, 1999. This should equal accounts receivable on Schedule 3, line D column VI if legal basis equals modified accrual. For those agencies completing Schedule 3-1, the amount on Column IV line 4 of that schedule should also be included.

line 13 - Due from Inter/intra fund transfers - Indicate inter/intra fund transfers (i.e. T100, T120, T180) received between 07/01/99 and 08/14/99.

line 14 - Other - Indicate the total amount of non operational receivables (i.e. travel advances, retiree's insurance, petty cash advances) as of June 30, 1999. For those agencies completing Schedule 3-1, the amount on Column IV, line 5 of that schedule should also be included.

line 15 - See lines 16 and 17.

lines 16 and 17 - Due from Other Funds - Indicate the total amount of other fund resources receivable (i.e. Conservation Fund) as of June 30, 1999. This should equal Schedule 3 line E Column VI.

line 18 - Prepaid expenses reflect charges entered in the accounts for benefits not yet received.

line 19 - Advances - asset account used to reflect portion of loan made to another unit.

line 20 - Inventory of Materials and Supplies - Indicate the total dollar amount of materials and supplies on hand at 06/30/99. This would include postage.

line 21 - Other Assets - Fully describe in Notes to the Financial Statement.

line 22 - Total Assets - total lines 1 - 21

2. Section B Liabilities

line 23 - Accounts Payable - Report the total of the open accounts payable less payroll payable as shown on Schedule 1 Column III.

line 24 - Payroll Payable - accrued payroll for June 30 (see line 3 Column II of Note R). Note: If there is an accrual for payroll or related benefits on Schedule 1, it should be included with the payroll payable on Statement A, not with accounts payable.

line 25 - Payroll deductions payable - indicate amounts withheld for FY 1999 and not yet disbursed. Not applicable to ISIS agencies.

line 26 - Accrued employee benefits payable - indicate amounts accrued for FY 1999 and not yet disbursed. Not applicable to ISIS agencies.

line 27 - Advance payable to the State Treasurer - enter the amount of permanent Imprest Fund advance payable to the State Treasurer.

line 28 - Advance payable to General Fund - enter the amount of working capital advances and/or seeds payable to the State Treasurer.

line 29 - Income Not Available Due State Treasury - not applicable for Column I.

line 30 - Major State Revenue - not applicable for Column I.

line 31 - Due to Other Funds - Indicate those resources which are payable/due to another funding source (i.e. Conservation and other dedicated fund sources) other than General Fund.

line 32 - Due to Federal Government - Indicate those resources which are payable to federal government.

line 33 - Inter/Intra Fund Transfers - Transfers disbursed between 7/01/99 and 8/14/99 (ie., T110, T130, T180).

line 34 - Deferred Revenue - Indicate those receipts received but not yet earned as of June 30, 1999, (federal money, for example). ***Use the materiality guidelines as indicated on page 2 of the memorandum.***

line 35 - Other liabilities - indicate the total amount of non-operational payables other than Advances Payable to STO, Advances to General Fund as of June 30, 1999.

line 36 - Total liabilities - total lines 23-35

3. Section C Fund Equity
 - line 37 - See lines 38, 39, 40, and 41.
 - line 38 - Reserved for Inventory of materials and supplies - contra to line 20.
 - line 39 - Reserved for Auxiliary Funds - indicate those resources the unit is legally entitled to retain to finance auxiliary balances.
 - line 40 - Reserved for continuing operations - Indicate those resources the unit is legally entitled to finance future operations. This should equal the T190 carryover shown on the 8/14 Appropriation Report for the new fiscal year if the carryover procedures were completed prior to 8/14.
 - line 41 - Unreserved/Undesignated - indicate residual fund resources
 - line 42 - Total Fund Equity - sum of lines 38-41.
 - line 43 - Total Liabilities and Fund Equity - sum of lines 36 and 42.

B. In Column II indicate the following:

1. Section A-Assets
 - lines 9-21 - Any material agency adjustments taken on Schedules 1 and 3.
2. Section B-Liabilities
 - lines 23-35 - Any material adjustments taken on Schedule 1.
3. Section C - Fund Equity
 - The net effect of the assets-liabilities adjustments

C. In Column III add columns I and II. This must be completed.

D. In Column IV indicate the following:

1. Section A - Assets
 - line 14 - Other - indicate the total amount of non-appropriated (income not available and major state revenue) receivable as of June 30, 1999. Equivalent to Schedule 4, line C, Column VII.
2. Section B - Liabilities
 - line 29 - Income Not Available Due State Treasury - indicate those funds to be collected and remitted to State Treasurer. Should equal Schedule 4, Column VII, line A.
 - line 30 - Major State Revenue Due State Treasury - indicate those funds to be collected and remitted to State Treasurer. Should equal Schedule 4, Column VII, line C if legal basis is modified accrual.

- E. In Column V indicate the following for monies held in a custodial capacity only (ie. P/R clearing, inmate card accounts, patient card accounts, etc.) This combined information corresponds to the total column of Schedule 6-1.
1. Section A - Assets
 - line 1 - Cash in State Treasury - Means of Financing - indicate the entire amount of dollars on deposit with the State Treasurer in the Escrow Fund as of June 30, 1999. (Must be supported by cost/collection center reports.)
 - line 3 - Cash in State Treasury Payroll Clearing - indicate those monies on deposit with the State Treasurer in Fund Class K-- as of June 30, 1999. Not applicable to NON-ISIS agencies.
 - line 4 - Cash in Bank - indicate monies being held for individuals in a custodial capacity not in the State Treasury. This must be included in Note O disclosures.
 - line 5 - Petty Cash - self explanatory.
 - Line 14 - Receivables Other - indicate the receivables from Schedule 6-1 for the Escrow Fund.
 2. Section B - Liabilities
 - line 23 - Accounts Payable - indicate the payables from Schedule 6-1 for the Escrow Fund.
 - lines 25 and 26 - indicate amount of payroll deductions payable and accrued employee payroll related benefits payable shown on the June 30 ISIS Agency Trial Balance for fund class K--. Not applicable to NON-ISIS agencies.
 - line 35 - Other Liabilities - indicate the difference between Section A and Section B.
- F. Units having other activities not covered in Column I through IV will be required to complete Column VI. This information corresponds to those activities reported on Schedule 6, (i.e., Welfare Inmate funds, Chapel Funds, etc.). Cash in bank accounts will be shown on line 4 ***and should be included in totals reported in Note O-1***; receivables, line 14; payables, line 23; and reserve for continuing operations, line 40.

SECTION: Instructions for Preparation of Annual Fiscal Report Page 25
UNIT TYPE: All State Agencies
PROCEDURES: Schedule 13

Schedule 13 is a recapitulation of the total Interagency Receipts reported on Schedule 3, as of August 14, 1999.

1. In Column I, list the ISIS Agency Number, if applicable, of where the revenue came from (**Not** the agency number of the preparer.)
2. In Column II, list the name of the agency, college, internal service fund, etc. that provided the revenue.
3. In Column III, enter the amount received from each source at June 30, 1999.
4. In Column IV, enter the amount of unclassified cash for each source at June 30, 1999.
5. In Column V, enter the amount of accounts receivable for each source received during the 45 day close.
6. In Column VI, enter the total revenue received from each source and this should equal the sum of columns III, IV, and V.

The totals must equal Schedule 3, Line C, Column III, IV, VI, and VIII.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All State Agencies
PROCEDURES: Agency Check Points

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All agencies should complete the following check points. It is an excellent aid in reconciling your report.

1. Because Schedule 5 is a "Prior Year Appropriation Disposition Report", the total of that schedule should equal your ending fund balance for fiscal year 1998 with the following additions/deletions:

Total Adjustments to Prior Year from FY '99 Schedule 5 with arithmetic sign reversed \$ XXX

Add:

| | | |
|--|-----------|----|
| FY '98 cash basis accrual (from line 8, Column II of FY '99 AFR, Schedule 5) | \$ XX | |
| FY '98 Ending inventory (from FY '98 AFR) | XX | |
| T190 carryover(s) (from 6/30/99 Appropriation Report) | XX | |
| FY '98 Federal receivable for payroll (from FY '98 Note R, Column 2, line 4) | <u>XX</u> | XX |

Less:

| | | |
|---|-----------|----|
| FY '98 Payroll accrual (from FY '98 Note R, Column 2, line 3) | XX | |
| FY '98 Expenditure adjustment, Schedule 1 column II | <u>XX</u> | XX |

Add or subtract depending on sign

| | | |
|---|-----------|--|
| FY '98 audit adjustments shown on line 5 of 1998-99 AFR, Schedule 5 | <u>XX</u> | |
|---|-----------|--|

FY '98 Ending Fund Balance (will equal Line H on Statement B for 1998 AFR) \$XXX

2. To reconcile the Excess (deficiency) of appropriated revenues over appropriated expenditures of Column V, Schedule 1) to the FY '99 ending fund balance, the following steps may be used:

Schedule 1, Column V-Excess(Deficiency) of appropriated Rev. over Exp. \$ XXX

Add:

| | | |
|---|-----------|----|
| FY '99 Ending inventory | \$ XX | |
| FY '99 Federal receivable for payroll (from FY '99 Note R, Column II, line 4) | XX | |
| FY '99 Cash basis receivable (from FY '99 Schedule 3-1, Column IV, line 6) | <u>XX</u> | XX |

Less:

| | | |
|---|--------------|---|
| FY '99 Payroll accrual (from FY '99 Note R, line 7) | XX | |
| FY '99 Working capital advance (seed) | XX | |
| FY '99 Expenditure adjustment, Schedule 1 column II | <u>XX</u> | - |
| FY '99 Ending Fund Balance | <u>\$XXX</u> | |

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All State Agencies
PROCEDURES: Notes

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Note D - The General Fixed Asset note must have the balance as of July 1, 1999 which will be the same balance at June 30, 1998. Any changes to this amount should show as an addition or deletion.

Note H - Leave balances, both annual and compensatory, can be found on Payroll Report BL164201.

Note J - This note applies only to those arrangements in which the agency is the lessee. **Revenue leases, those leases where the agency is the lessor, are to be reported on this note in Sections 3 and 4.** Do not include intra agency leases.

Note K - This amount must agree with the amount reported on Line 27 of Statement A. The amount must also agree with the amounts shown by the State Treasurer.

Note M - Total amount of seed(s) must equal line 28 of Statement A, column VII as well as agree with the records of the State Treasurer.

Note O - Deposits and Investments - The purpose of this note is to disclose the related risk attached to deposits and investments held for the state by financial institutions.

1. Deposits with Financial Institutions - this note includes only cash and investments not in the State Treasury. All others are reported separately by the State Treasury. Cash and cash equivalents include only those amounts on deposit in financial institutions and do not include cash on hand or petty cash maintained at your agency. The total reported amount must agree with Line 4 of Statement A, Column VII.

A. Reported amount on Balance Sheet - The total of cash, Certificates of Deposit, and Other must equal Statement A, line 4 column VII, which should be your reconciled bank balances at June 30. The amounts reported in the bank balances section should be the ending balance on your June 30 bank statement. Unless the account you are reporting has little or no activity, the reported amount on the Balance Sheet total and the bank balances total will NOT be the same.

2. Investments - total reported amount of investments must agree with Line 5A of Statement A, column VII. For those investments meeting GASB 31 reporting requirements this must be fair value.

A. If you are reporting investments held outside the State Treasury, you must provide the additional disclosures as requested in Section 3 of this Note.

SECTION: Instructions for Preparation of Annual Fiscal Report
UNIT TYPE: All State Agencies
PROCEDURES: Notes

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Note R - The totals for this note can be found on Payroll Report BL1450-01. Column I must agree with Note R from FY 98. This note impacts Schedule 1, Statement A and Statement B, and possibly Schedules 3 and 3-1. **Do not use any Void and Supplemental payrolls. Call your analyst if you need the correct amounts.**

Note T - Any agency that experienced a fund deficit in a program or in total must list and explain the circumstances in this note. The deficit(s) reported here must agree with Schedule 1 column VII.

Note U - The totals on this note must agree with line 40 on Statement A column VII. If carryover procedures were completed prior to August 14, this amount will agree with T190 carryover on your August 14 Appropriation Report (for ISIS agencies only).

Note V - In-kind contributions are often the result of match for a grant. An example would be the loan of office space by a local government to satisfy a match requirement on a federal grant.

Note Z - You must include any activities occurred after June 30 that impact your agency and are not already reflected in the financial statements. This will include activities that may impact any following fiscal year's operations.

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 19____

(Agency Name)

Send to:
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Send to:
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, _____ (Name)

(Title) of _____ (Agency)
who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position
of _____ (agency) at June 30, _____ and the results of
operations for the year then ended in accordance with policies and practices established by the Division of
Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental
Accounting Standards Board. Sworn and subscribed before me, this _____ day of _____, 19____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 19____

(Agency Name)

Send to:
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Send to:
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, _____ (Name)

(Title) of _____ (Agency)
who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position
of _____ (agency) at June 30, _____ and the results of
operations for the year then ended in accordance with policies and practices established by the Division of
Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental
Accounting Standards Board. Sworn and subscribed before me, this _____ day of _____, 19____.

Signature of Agency Official

NOTARY PUBLIC

Prepared by: _____

Title: _____

Telephone No.: _____

Date: _____

(Agency Name)
STATE OF LOUISIANA
COMBINED BALANCE SHEET - ALL APPROPRIATED AND NON-APPROPRIATED FUNDS
JUNE 30, 19__

Schedule No. _____
ISIS Agency No. _____

APPROPRIATED

NON-APPROPRIATED

Fiduciary Relationships

| | General & Auxiliary Appropriation Fund I | Adjustments II | Restated I with Adjustments III | Major State Revenues & INA IV | Agency Schedule 6-1 V | Other Schedule 6 VI | TOTALS (Memorandum Only) VII |
|---|--|-------------------|--|---|--------------------------------|---------------------------|---------------------------------------|
| A. Assets | | | | | | | |
| 1 Cash in State Treasury: Means of financing | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| 2 Cash in State Treasury: ISIS operating fund | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 3 Cash in State Treasury: Payroll clearing fund | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 4 Cash in bank accounts (Note O) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 5 Petty cash | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 5A Investments | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 6 Receivables: | | | | | | | |
| 7 Due from State General Fund | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 8 Due from Interim Emergency Board | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 9 Due from Federal Government | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 10 Due from fees and self generated revenue | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 11 Due from other agencies (IAT) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 12 Due from Auxiliary - self generated-revenue | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 13 Due from inter/intra fund transfers | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 14 Other (attach schedule) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 15 Due from other funds: | | | | | | | |
| 16 ____ fund | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 17 ____ fund | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 18 Prepaid expenses | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 19 Advances | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 20 Inventory of materials & supplies | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 21 Other assets | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 22 Total Assets | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |

The accompanying notes are an integral part of this statement.

Statement A (Continued)

(Agency Name)

Schedule No. _____

STATE OF LOUISIANA

ISIS Agency No. _____

COMBINED BALANCE SHEET - ALL APPROPRIATED AND NON-APPROPRIATED FUNDS

JUNE 30, 19_

| | APPROPRIATED | | | NON-APPROPRIATED | | | |
|--|--|-------------------|--|--------------------------------------|--------------------------------|------------------------------|--------------------------------------|
| | | | | Fiduciary Relationships | | | |
| | General & Auxiliary Appropriation Fund I | Adjustments II | Restated I with Adjustments III | Major State Revenues INA IV | Agency Schedule 6-1 V | Other Schedule 6 VI | TOTALS Memorandum Only) VII |
| <u>Liabilities and Fund Equity</u> | | | | | | | |
| B Liabilities: | | | | | | | |
| 23 Accounts payable | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 24 Payroll payable | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 25 Payroll deductions payable | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 26 Accrued employee benefits payable | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 27 Advance from STO for imprest fund (Note M) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 28 Advance payable to General Fund (Note P) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 29 Income not available due State Treasury | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 30 Major state revenue due State Treasury | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Due to: | | | | | | | |
| 31 Other funds | _____ | _____ | _____ | | _____ | _____ | _____ |
| 32 Federal government | _____ | _____ | _____ | | _____ | _____ | _____ |
| 33 Inter/intra fund transfers | _____ | _____ | _____ | | _____ | _____ | _____ |
| 34 Deferred revenue | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 35 Other liabilities | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 36 Total liabilities | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| C Fund Equity | | | | | | | |
| 37 Fund balance: | | | | | | | |
| 38 Reserved for inventory of materials & supplies (Note H) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 39 Reserved for auxiliary funds | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 40 Reserved for continuation of operations | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 41 Unreserved - undesignated | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 42 Total fund equity | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| 43 Total liabilities and fund equity | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |

The accompanying notes are an integral part of this statement.

Agency Name

STATE OF LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - APPROPRIATED AND NON-APPROPRIATED OTHER FUNDS

Schedule No. _____

FOR THE YEAR ENDED JUNE 30, 19 _____

ISIS Agency No. _____

| | APPROPRIATED | | Restated | NON- | TOTAL |
|--|---------------------|-------------|-------------|--------------|--------------|
| | General & Auxiliary | Adjustments | Column I | APPROPRIATED | (Memorandum) |
| | Appropriation Fund | II | With | Other | Only |
| | I | | Adjustments | Schedule 6 | V |
| | | | III | IV | |
| A REVENUES | | | | | |
| 1 Appropriated Revenues: | | | | | |
| 2 State General Fund | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 3. Interim Emergency Board | _____ | _____ | _____ | _____ | _____ |
| 4 Federal funds | _____ | _____ | _____ | _____ | _____ |
| 5 State General Fund by fees and self-generated revenues | _____ | _____ | _____ | _____ | _____ |
| 6 State General Fund by interagency receipts | _____ | _____ | _____ | _____ | _____ |
| 7 Auxiliary funds | _____ | _____ | _____ | _____ | _____ |
| 8 Other fund sources: | | | | | |
| 9 _____ fund | _____ | _____ | _____ | _____ | _____ |
| 10 _____ fund | _____ | _____ | _____ | _____ | _____ |
| 11 Total appropriated revenues | _____ | _____ | _____ | _____ | _____ |
| B EXPENDITURES | | | | | |
| 12 Appropriated Expenditures: | | | | | |
| 13 Program 1 | _____ | _____ | _____ | _____ | _____ |
| 14 Program 2 | _____ | _____ | _____ | _____ | _____ |
| 15 Program 3 | _____ | _____ | _____ | _____ | _____ |
| 16 Program 4 | _____ | _____ | _____ | _____ | _____ |
| 17 Program 5 | _____ | _____ | _____ | _____ | _____ |
| 18 Program 6 | _____ | _____ | _____ | _____ | _____ |
| 19 | _____ | _____ | _____ | _____ | _____ |
| 20 | _____ | _____ | _____ | _____ | _____ |
| 21 | _____ | _____ | _____ | _____ | _____ |
| 22 | _____ | _____ | _____ | _____ | _____ |
| 23 Total appropriated expenditures | _____ | _____ | _____ | _____ | _____ |

 (Agency Name)
 STATE OF LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN Schedule No. _____
 FUND BALANCES-APPROPRIATED AND NON-APPROPRIATED OTHER FUNDS ISIS Agency No. _____
 FOR THE YEAR ENDED JUNE 30, 19__

| | <u>APPROPRIATED</u> | | Restated Column I With Adjustments III | NON- APPROPRIATED Other Schedule 6 IV | TOTAL (Memorandum) Only) V |
|--|--|-------------------|--|---|-------------------------------------|
| | General & Auxiliary Appropriation Fund I | Adjustments II | | | |
| 24 Excess (deficiency) of appropriated revenues over appropriated expenditures | _____ | _____ | _____ | _____ | _____ |
| C Other appropriated financing sources (uses) | | | | | |
| 25 a) Transfers in | _____ | _____ | _____ | _____ | _____ |
| 26 b) Transfers out | _____ | _____ | _____ | _____ | _____ |
| 27 c) _____ | | | | | |
| D Other non-appropriated revenues (Schedule 6) | | | | | |
| 28 Non-appropriated revenues (Schedule 6) | | | | _____ | _____ |
| 29 Non appropriated expenditures/transfers (Schedule 6) | | | | _____ | _____ |
| 30 Excess (deficiency) of non appropriated sources over non appropriated expenditures/transfers | | | | _____ | _____ |
| 31 Excess (deficiency) of revenues over expenditures and other sources (uses) | _____ | _____ | _____ | _____ | _____ |
| E Fund balance at beginning of year | _____ | _____ | _____ | _____ | _____ |
| F Increase/decrease reserve for inventory | _____ | _____ | _____ | _____ | _____ |
| G Adjustment | _____ | _____ | _____ | _____ | _____ |
| H Fund balance at end of year | \$===== | \$===== | \$===== | \$===== | \$===== |

The accompanying notes are an integral part of this statement.

Statement B (Concluded)

Schedule No. _____
ISIS Agency No. _____

GENERAL APPROPRIATION

[illegible]

STATE OF LOUISIANA
SCHEDULE OF APPROPRIATED REVENUE BY TYPE
GENERAL OPERATING APPROPRIATION FUNDS
FOR YEAR ENDED JUNE 30, 19__

| Appropriated Revenue Fund | ISIS Appr Number I | Revenue Source Code II | Classified Cash Receipts through June 30, 19 III | Unclassified Cash Receipts at June 30, 19 IV | Total Cash Deposit with Treasury (III + IV) V | Accounts Receivable a June 30, 19_ VI | Agency Adjustment VII | Total Revenue VIII |
|--|-----------------------------|---------------------------------|--|---|---|--|-----------------------------|--------------------------|
| Federal funds | | | | | | | | |
| A-1 _____ | _____ | _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| A-2 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| A-3 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| A Subtotal - Federal funds | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| State General Fund by fees and self generated revenues | | | | | | | | |
| B-1 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| B-2 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| B-3 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| B-4 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| B Subtotal - General Fund by fees and self generated | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| State General Fund by interagency receipts | | | | | | | | |
| C-1 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| C-2 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| C Subtotal - General Fund by interagency receipts | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Auxiliary funds | | | | | | | | |
| D-1 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| D-2 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| D-3 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| D Subtotal - Auxiliary funds | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Other funds | | | | | | | | |
| E-1 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E-2 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E-3 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E-4 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E-5 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E-6 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E-7 _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| E Subtotal - Other funds | _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| F Total appropriated revenue | _____ | _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |

(Agencies with cash basis programs only)

(Agency Name)
STATE OF LOUISIANA
SCHEDULE OF ADJUSTMENTS DUE TO CASH BASIS PROGRAMS
JUNE 30, 19__

Schedule No. _____
ISIS Agency No. _____

| A. Appropriated Revenues/Fund Source and Type | ISIS Appropriation Number I | Total Revenue (Column VIII from Schedule 3) II | Cash Basis Program Accrual From 1997-1998 AFR III | Cash Basis Program Accrual For 1998-1999 IV | Adjusted Revenue For 1997-1998 (Statement B) V |
|--|--------------------------------------|---|--|--|---|
| 1. Federal Funds | _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 2. State funds by fees and self-generated revenue | _____ | _____ | _____ | _____ | _____ |
| 3. State General Funds by interagency receipts | _____ | _____ | _____ | _____ | _____ |
| 4. State funds by auxiliary | | | | | |
| 5. State funds by other | | | | | |
| 6. Total | | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| B. Appropriated expenditure | ISIS Operating Number | Total Expenditure Schedule I | Cash Basis Accrual From 1997-1998 | Cash Basis Program Accrual for 1998-1999 | Adjusted Expenditure for 1997-1998 (Statement B) |
| 7. Program 1 | _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| 8. Program 2 | | | | | |
| 9. Program 3 | | | | | |
| 10. Program 4 | | | | | |
| 11. Program 5 | | | | | |
| 12. | | | | | |
| 13. | | | | | |
| 14. | | | | | |
| 15. | | | | | |
| 16. | | | | | |
| 17. | | | | | |
| 19. Total Expenditures | ===== | \$ ===== | \$ ===== | \$ ===== | \$ ===== |

| | Established 6/30/_ I | Collected/Paid II | Adjustment + Increase - Decrease III |
|--|----------------------------|----------------------|---|
| A. Surplus and Other Adjustments: | | | |
| 1. Surplus remitted to general fund | | | |
| 2. Surplus remitted to federal government | | | |
| 3. Surplus remitted to other funds | | | |
| 4. Expenditure adjustment | | | |
| 5. Other (List by Item) | | | |
| 6. Deferred Revenue | | | |
| 7. Cash Basis Accounts Receivable Adjustment | | | |
| 8. Cash Basis Expenditure Adjustment | | | |
| 9 Total Adjustments to prior year | \$ | \$ | \$ |

Reconciliation

Total adjustments shown on 1999 Schedule 5 with arithmetic sign reversed

Add:

FY '98 cash basis receivable accrual

FY '98 ending inventory

TI90 Carryover(s)

FY '98 federal receivable for payroll (from 1998 AFR, Note R, column 2, line 4)

\$

Less:

FY '98 payroll accrual (from Note R, column 2, line 3)

FY '98 expenditure adjustment from Schedule 1, column II

Add or subtract depending on sign:

FY '98 audit adjustments shown on line 21 of 1998-99 Schedule 5

AFR Schedule 5 FY '98 Ending Fund Balance

\$

Note: Any ISIS or nonISIS agency with adjustments to accounts receivable or accounts payable should add that information to this schedule with a complete explanation.

STATE OF LOUISIANA

Schedule No. _____
ISIS Agency No. _____

SCHEDULE 6

 (Agency Name)
 STATE OF LOUISIANA
 SCHEDULE OF CHANGES IN BALANCE(S) - All Agency Funds
 FOR THE YEAR ENDED JUNE 30, 19_

Schedule No. _____
 ISIS Agency No. _____

| UNIT NAME | _____ | _____ | _____ | _____ | <u>TOTAL</u> |
|---|----------|----------|----------|----------|--------------|
| Balance at beginning of year | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| <u>ADDITIONS DURING JULY 1, 1998 THROUGH JUNE 30, 1999</u> | | | | | |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| <u>DEDUCTIONS DURING JULY 1, 1998 THROUGH JUNE 30, 1999</u> | | | | | |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| BALANCE AS OF JUNE 30, 1999 | _____ | _____ | _____ | _____ | _____ |
| <u>ACCRUALS DURING JULY 1, 1999 THROUGH AUGUST 14, 1999</u> | | | | | |
| <u>RECEIVABLES:</u> | | | | | |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| <u>PAYABLES:</u> | | | | | |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ | _____ |
| <u>FUND BALANCE</u> | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |

Schedule No. _____
ISIS Agency No. _____

STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID BOARD (COMMISSION) MEMBERS, BY FUND
FOR THE YEAR ENDED JUNE 30, 19_

| <u>NAME</u> | <u>NUMBER</u> | <u>AMOUNT</u> |
|-------------|---------------|---------------|
| | | \$ _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| TOTAL | | \$ _____ |

NOTE: Provide a separate copy of this schedule for each board (commission) by fund (appropriation).

ISIS Agency No. _____

[illegible]

NOTE: Where more than one fund (appropriation) applies, separate by fund (appropriation).

FOR THE YEAR ENDED JUNE 30, 19____

| <u>Agency Number</u> | <u>Source</u> | <u>Classified June 30, 19</u> | <u>Unclassified at June 30, 19</u> | <u>Accounts Receivable</u> | <u>Totals</u> |
|--------------------------|---------------|-----------------------------------|--|--------------------------------|---------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL | | | | | |

Schedule 13 is a recapitulation of the total Interagency Receipts reported on Schedule 3, as of August 14, 1999.

1. In column I, list the ISIS Agency number, if applicable, of the source of revenue.
2. In column II, list the sources of the revenue (i.e., state agency, college, internal service fund, etc.).
3. In column III, enter the amount received from each source for June 30, 1999.
4. In column IV, enter the amount of unclassified cash for each source at June 30, 1999.
5. In column V, enter the amount of accounts receivable for each source received during the 45 day close.
6. In column VI, enter the total revenue received from each source.

** The totals must equal Schedule 3, line C, columns III, IV, VI, and VIII.

 INFORMATION FOR STATEMENTS A AND B

| <u>ACCT #</u> | <u>ACCOUNT TITLES</u> | <u>AGENCY</u> | <u>ORGANIZATION</u> | <u>ACCOUNTS</u> | <u>DEBIT</u> | <u>CREDIT</u> |
|---------------|---|---------------|---------------------|-----------------|--------------|---------------|
| 03 | 1999 Schedule 5 Adjustment | | | 6690 | | |
| 22 | 1998 Payroll Accrual (by Program) | | | | | |
| 22 | 1999 Payroll Accrual (by Program) | | | | | |
| 02 | Payroll Payable | | | 6305 | | |
| 31 | 1998 Federal Payroll Receivable | | | | | |
| 31 | 1999 Federal Payroll Receivable | | | | | |
| 01 | Accounts Receivable-Federal | | | 6140 | | |
| 01 | Petty Cash in Bank | | | 6085 | | |
| 01 | Petty Cash on Hand | | | 6090 | | |
| 01 | Petty Cash Accounts Receivable | | | 6125 | | |
| 02 | Petty Cash-Advance from STO | | | 6460 | | |
| 01 | Inventory of Materials and Supplies | | | 6170 | | |
| 03 | Increase (Decrease) Reserve for Inventory | | | 6697 | | |
| 03 | Beginning Fund Balance | | | 6700 | | |
| 03 | Reserved for Inventory | | | 6605 | | |
| | Schedule 3-1: | | | | | |
| | Accruals from 1997-98: | | | | | |
| 31 | Federal | | | | | |
| 31 | Self-Generated | | | | | |
| 31 | Interagency Receipts | | | | | |
| 31 | Auxiliary | | | | | |
| 31 | Other | | | | | |
| | Accruals for 1998-99: | | | | | |
| 01 | Accounts Receivable-Federal | | | 6140 | | |
| 31 | Federal | | | | | |

INFORMATION FOR STATEMENTS A AND B

| | <u>ACCOUNT TITLES</u> | <u>AGENCY</u> | <u>ORGANIZATION</u> | <u>ACCOUNTS</u> | <u>DEBIT</u> | <u>CREDIT</u> |
|----|---------------------------------------|---------------|---------------------|-----------------|--------------|---------------|
| 01 | Accounts Receivable-SGR | | | 6107 | | |
| 31 | Self-Generated | | | | | |
| 01 | Accounts Receivable-IAT | | | 6110 | | |
| 31 | Interagency Receipts | | | | | |
| 01 | Accounts Receivable-Auxiliary | | | 6107 | | |
| 31 | Auxiliary | | | | | |
| 01 | Accounts Receivable-Other | | | 6125 | | |
| 31 | Other | | | | | |
| 03 | CAFR Adjustment Account | | | 6693 | | |
| | | | | | | |
| | Total Debits and Credits (must equal) | | | | | |

STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENT

(Agency Name)
FOR THE YEAR ENDED _____

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The _____ is an agency of the State of Louisiana reporting entity. The _____ was created in accordance with Title _____; Chapter _____ of the Louisiana Revised Statutes of 1950 as a part of the _____ branch of government. The _____ is charged with _____ within the State of Louisiana.

The _____ prepared its financial statements in accordance with the procedures established by the Division of Administration. While the financial activities of the _____ are not legally or practically an established fund account, they are organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained to account for authorized or appropriated activities. Therefore, while the accompanying financial statements of _____ contain sub-account information of the various funds of the State of Louisiana they only present information as to the transactions of the _____ as authorized by Louisiana statutes and administrative regulations, and as such, they are not prepared in accordance with generally accepted accounting principles.

In addition, general fixed assets and long-term obligations of the agency are not recognized in the accompanying financial statements but are recognized in the account groups of the general purpose financial statements of the State of Louisiana.

In June of 1997, the Governmental Accounting Standards Board (GASB) updated its Codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

Annually the State of Louisiana issues a comprehensive annual financial report which includes the activity contained in the accompanying financial statements. The comprehensive annual financial report is audited by the Louisiana Legislative Auditor.

B. FUND ACCOUNTING

General Operating Appropriations

The General Operations Fund is used to account for all general and auxiliary fund appropriated operating expenditures and minor capital acquisitions. All appropriated general and auxiliary operations revenue is accounted for in this fund.

STATE OF LOUISIANA

(Agency Name)

NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

Non-Appropriated Funds (describe each Non-Appropriated Fund)

Major State Revenues and Income Not Available

The agency collects major state revenues that are remitted to the State Treasury for deposit to statutorily dedicated funds. In addition, the agency collects funds specifically identified by the Division of Administration - Budget Office as Income Not Available that are remitted to the State Treasury. These amounts are not available to the agency for expenditure and are, therefore, not included on Statement B but are detailed on Schedule 4.

Payroll Clearing Fund

The Payroll Clearing Fund is used to account for payroll deductions and accrued benefits.

The non-appropriated funds relating to Major State Revenues, Income Not Available and Payroll Clearing are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

For purpose of this statement presentation, collections in excess of Appropriated Means of Financing are not considered income not available and therefore are included on Statement B.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the _____ are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration - Office of Statewide Reporting and Accounting Policy as follows:

Revenues

State General Fund and Interim Emergency Board appropriations are recognized as the net amount warranted during the fiscal year including the 45 day close period.

Fees and self-generated revenues, interagency transfers, federal funds, intrafund revenues, non-appropriated revenues, and other financing sources (with the exception of agency funds) are recognized in the amounts earned, to the extent that they are both measurable and available.

(Describe other basis of revenue recognition which differs from this.)

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that obligations of employees' vested annual and sick leave are recorded as expenditures when paid. (List any other exceptions.)

STATE OF LOUISIANA

(Agency Name)

NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

D. GENERAL FIXED ASSETS

At June 30, 19__, the agency had stewardship responsibility for \$_____ in movable property, valued at (describe basis used to value movable assets). The agency does not include in the movable property inventory items valued at \$_____ or less; however, movable property acquired through capital leases have been added to the inventory.

In accordance with Louisiana Revised Statutes 39:321-332, the agency has complied with the movable property statutes of the State of Louisiana.

A summary of changes in movable property follows:

| Balance | | Restated | | | Balance |
|------------|-------------|----------|------------|-----------|-------------|
| July 1, 19 | Adjustments | Balance | July 1, 19 | Additions | Deletions |
| | | | | | June 30, 19 |
| \$_____ | _____ | \$_____ | _____ | _____ | \$_____ |

E. LONG TERM OBLIGATIONS

The agency by statute is not allowed to incur bonded indebtedness and therefore no recognition within this account is necessary. Further, any long term obligations of the agency arising from lease commitments, judgments, or compensated absences are not recognized in the accompanying statements but are disclosed within these notes.

F. ENCUMBRANCE ACCOUNTING

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recorded by the agency but are not included in the financial statements. The agency does not have the ability to finance the liquidation of encumbrances after June 30, 19__ as provided by Louisiana Revised Statute 39:82(A).

G. INVENTORY OF MATERIALS AND SUPPLIES

In general, inventories are recorded as an expenditure when purchased. The cost value of inventory, determined under (perpetual or periodic) inventory system using the (FIFO, LIFO, etc) valuation method, at the date of the financial statement is presented within the asset portion of the statement for informational purposes only. A fund balance reserve for inventory equal to the amount of inventory is used to indicate that inventory is not an "available expendable resource".

STATE OF LOUISIANA

(Agency Name)

NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

H. LEAVE

1. Annual and Sick Leave

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which would otherwise have been used to compute years of service for retirement. The liability for unused annual leave payable at June 30, 19__, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated to be \$_____. The leave payable is not recorded in the accompanying financial statements.

NOTE: Should you have employees who upon retirement - or their heirs upon the employee's death - are compensated for up to 25 days of unused sick leave, you should include the dollar value of this leave in the annual leave shown above. Civil Service General Circular Number 001155 states that classified employees belonging to the Teacher's Retirement System of Louisiana and to the Louisiana School Employee's Retirement System are not eligible for payment of unused sick leave upon retirement or death. L.R.S. 17:425 on the other hand provides for payment for up to 25 days of unused sick leave for members of these two systems. In Opinion Number 94-373, the Attorney General opined that the Civil Service Commission had jurisdiction over classified employees and therefore those members are not eligible for payment of unused sick leave. Because the Commission has no authority over unclassified employees, those members are eligible to receive such compensation.

2. Compensatory Leave (Use for Non-Exempt Employees)

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 19__ computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$_____. The leave payable (is) (is not) recorded in the accompanying financial statements.

STATE OF LOUISIANA

(Agency Name)

NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

I. JUDGEMENTS, CLAIMS AND SIMILAR CONTINGENCIES

Obligations and losses rising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund and are not reflected in the accompanying special purpose financial statements. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's risk management program. NOTE: Should you have claims which have not been submitted to Risk Management, include a schedule of these claims.

Those agencies collecting federal funds, who have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance separately.

| | | | Estimated | |
|----------------|---------------------|---------------|---------------------|---------------|
| | Date of | | Probability | Settlement |
| <u>Program</u> | <u>Disallowance</u> | <u>Amount</u> | <u>of Payment *</u> | <u>Amount</u> |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |

* Remote, reasonably possible, probable, or unknown

Claims and litigation cost of \$_____ were incurred in the current year and are reflected in the accompanying financial statements.

J. LEASE AND RENTAL COMMITMENTS

Lease agreements, if any, have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for its continuation during any future fiscal period. Total operating lease expenditures for fiscal year 19__ - 19__ amounted to \$_____.

1. OPERATING LEASES

Operating leases are all leases which do not meet the criteria of a capital lease. Operating leases are grouped by nature (i.e. office space, equipment, etc.) and the annual rental payments for the next five fiscal years are presented in the following schedule.

STATE OF LOUISIANA

(Agency Name)

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Rental expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter the lease. In those instances, rental expense is determined on either a straight-line or interest basis over the term of the lease, as required by GASB 13, and not in accordance with lease terms. The agency does (does not) have leases with scheduled rent increases due to temporary rent reductions used as an inducement to enter the lease. The resulting revenues/expenses are (are not) shown on the statement of operations. If not included on the statement of operations, attach a schedule listing all such leases.

| Nature of Operating Lease | 1999- 2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | Thereafter |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| a. Office Space | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| b. Equipment | _____ | _____ | _____ | _____ | _____ | _____ |
| c. Land | _____ | _____ | _____ | _____ | _____ | _____ |
| d. Other | _____ | _____ | _____ | _____ | _____ | _____ |
| Total | <u>\$_____</u> | <u>\$_____</u> | <u>\$_____</u> | <u>\$_____</u> | <u>\$_____</u> | <u>\$_____</u> |

2. CAPITAL LEASES AND LEASE PURCHASES

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

Schedule A should be used to report all capital leases (including new leases, excluding LEAF leases) in effect as of 6/30/99. In schedule B, report only those new leases entered into during fiscal year 1998-99. Note: LEAF leases should be shown in Schedule C only. Do not include in Schedule A or B.

SCHEDULE A TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

| | | | Remaining | Remaining | Fund |
|-----------------|---------|--------------|--------------|--------------|------------|
| | Date of | Last Payment | Interest to | Principal to | which Pays |
| Nature of Lease | Lease | Date | End of Lease | End of Lease | the Lease |
| a. Office Space | _____ | _____ | \$_____ | \$_____ | _____ |
| b. Equipment | _____ | _____ | _____ | _____ | _____ |
| c. Land | _____ | _____ | _____ | _____ | _____ |
| TOTAL | | | \$_____ | \$_____ | |

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 19__:

Year ending June 30:

| | |
|------------|---------|
| 2000 | \$_____ |
| 2001 | _____ |
| 2002 | _____ |
| 2003 | _____ |
| 2004 | _____ |
| Thereafter | _____ |

Total minimum lease payments _____

Less: Amounts representing executory costs (_____) _____

Net minimum lease payments _____

Less: Amount representing interest (_____) _____

Present value of net minimum lease payments \$_____

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(Agency Name)

NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

SCHEDULE B NEW AGENCY CAPITAL LEASES EXCEPT LEAF

(Entered into during Fiscal Year 1999)

| | | | Remaining | Remaining | Fund |
|------------------------|--------------|--------------|---------------------|---------------------|------------------|
| | Date of | Last Payment | Interest to | Principal to | which Pays |
| <u>Nature of Lease</u> | <u>Lease</u> | <u>Date</u> | <u>End of Lease</u> | <u>End of Lease</u> | <u>the Lease</u> |
| a. Office Space | _____ | _____ | \$_____ | \$_____ | _____ |
| b. Equipment | _____ | _____ | _____ | _____ | _____ |
| c. Land | _____ | _____ | _____ | _____ | _____ |
| TOTAL | | | \$_____ | \$_____ | |

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 19__:

Year ending June 30:

| | |
|------------|---------|
| 2000 | \$_____ |
| 2001 | _____ |
| 2002 | _____ |
| 2003 | _____ |
| 2004 | _____ |
| Thereafter | _____ |

Total minimum lease payments _____

Less: Amounts representing executory costs (_____) _____

Net minimum lease payments _____

Less: Amount representing interest (_____) _____

Present value of net minimum lease payments \$_____

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

SCHEDULE C

LEAF CAPITAL LEASES

| | | | Remaining | Remaining | Fund |
|------------------------|--------------|--------------|---------------------|---------------------|------------------|
| | Date of | Last Payment | Interest to | Principal to | which Pays |
| <u>Nature of Lease</u> | <u>Lease</u> | <u>Date</u> | <u>End of Lease</u> | <u>End of Lease</u> | <u>the Lease</u> |
| a. Office Space | _____ | _____ | \$_____ | \$_____ | _____ |
| b. Equipment | _____ | _____ | _____ | _____ | _____ |
| c. Land | _____ | _____ | _____ | _____ | _____ |
| TOTAL | | | \$_____ | \$_____ | |

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 19__:

Year ending June 30:

| | |
|------------|---------|
| 2000 | \$_____ |
| 2001 | _____ |
| 2002 | _____ |
| 2003 | _____ |
| 2004 | _____ |
| Thereafter | _____ |

Total minimum lease payments _____

Less: Amounts representing executory costs (_____) _____

Net minimum lease payments _____

Less: Amount representing interest (_____) _____

Present value of net minimum lease payments \$_____

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

3. REVENUE LEASES

LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- ◆ Collectibility of the minimum lease payments is reasonably predictable.
- ◆ No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement, and complete the chart below.

| Composition of Lease | Date of Lease | Minimum L\Payment Receivable | Remaining Interest to End of Lease | Remaining Principal to End of Lease |
|------------------------------|------------------|------------------------------------|--|---|
| a. Office Space _____ | _____ | _____ | \$ _____ | \$ _____ |
| b. Equipment _____ | _____ | _____ | _____ | _____ |
| c. Land _____ | _____ | _____ | _____ | _____ |
| Less: | | | | |
| Amounts Representing | | | | |
| Executory Costs | | (_____) | | |
| Minimum L\P Receivable | | _____ | | |
| Less: | | | | |
| Allowance for Uncollectibles | | (_____) | | |
| Net Minimum Lease Payments | | | | |
| Receivable | | _____ | | |
| Estimated Residual Value of | | | | |
| Leased property | | _____ | | |
| Subtotal | | _____ | | |
| Less: | | | | |
| Unearned Income | | (_____) | | |
| Net Investment in Direct | | | | |
| Financing Leases | | ===== | | |

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Minimum lease payments do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if for example the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 1999 were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

The following is a schedule by years of minimum lease receivable for the five succeeding fiscal years as of June 30, 19__:

Year ending June 30:

| | |
|------------|----------|
| 2000 | \$ _____ |
| 2001 | _____ |
| 2002 | _____ |
| 2003 | _____ |
| 2004 | _____ |
| Thereafter | _____ |
| Total | \$ _____ |

4. LESSOR - Operating Lease

When a lease agreement does not satisfy at least one of the four criteria for reporting as a capital lease (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation (optional for Governmental Funds) as of June 30, 19__.

A. Office Space _____

B. Equipment _____

C. Land _____

Less:

Accumulated Depreciation (_____)

Total Carrying Amount of Property _____

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

The following is a schedule by years of minimum future rentals on noncancellable operating lease(s) as of June 30, 19____:

| Composition Of Lease | 2000 | 2001 | 2002 | 2003 | 2004 | Thereafter |
|---------------------------------|-------|-------|-------|-------|-------|------------|
| A. Office Space | _____ | _____ | _____ | _____ | _____ | _____ |
| B. Equipment | _____ | _____ | _____ | _____ | _____ | _____ |
| C. Land | _____ | _____ | _____ | _____ | _____ | _____ |
| Total minimum future rentals | ===== | ===== | ===== | ===== | ===== | ===== |

Contingent rentals received from operating leases for fiscal year 1999 were \$_____ for office space, \$_____
_ for equipment, and \$_____ for land.

K. IMPREST FUNDS

1. ISIS Agencies

The agency maintains a permanent Travel and Petty Cash Imprest Fund in the amount of \$_____ as authorized by the Commissioner of Administration and advanced by the State Treasurer's Office in accordance with Title 39. The funds are permanently established and periodically replenished from agency operating funds when expenditure vouchers are presented.

2. Non-ISIS Agencies

The agency maintains a Petty Cash Fund in the amount of \$_____ as authorized by the Commissioner of Administration in accordance with Title 39 of the Louisiana Revised Statutes. The fund is established at the beginning of the fiscal year from the agency's regular operating appropriation and is closed at the end of the fiscal year. The fund is periodically replenished from agency operating appropriation when expenditure vouchers are presented during the fiscal year. The established base amount is considered an internal agency fund; however, the requirement for repayment of the fund to the operating appropriation at the end of the fiscal year eliminates the need for the fund to be reported in these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

L. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS PER GASB 12

LRS 42:821 through 42:880 establishes the self-insured and self-funded state employees group health care and life insurance program and authorizes the _____ agency to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the agency's employees become eligible for those benefits if they reach normal retirement age while working for the agency. Monthly premiums are paid jointly by the employees and the employer (from the agency appropriation) for both retirees' and active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the HMOs authorized by Group Benefits. The agency recognizes the cost of providing benefits as an expenditure when paid during the year. For the year ended June 30, 19__, the costs of retirees' benefits totaled \$_____, while the number of retirees is _____. (As defined by the GASB Statement 12, dependents of a retiree should be counted as a single unit if the retiree is deceased and should not be counted if the retiree is alive.) The cost of retirees' benefits is net of participant's contribution.

M. SEEDS

The agency is in receipt of a seed in the amount of \$_____ as authorized by the joint approval of the State Treasurer and the Commissioner of Administration and drawn against the State Treasurer. The seed represents a liability to the unit and must be repaid if not reauthorized annually.

The breakdown of advances by unit are as follows:

| <u>Fund</u> | <u>Date Authorized</u> | <u>Amount</u> |
|-------------|------------------------|---------------|
| 1. _____ | _____ | \$ _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |
| TOTAL | | \$ _____ |

N. NOT USED

O. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note O.)

1. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the _____ agency may deposit funds with a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the agency may invest in time certificates of deposit in state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

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As reflected on Statement A, the _____ agency had deposits in bank accounts totaling \$_____ at June 30, 19__. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer. The deposits at _____, 19__, were secured as follows:

Deposits in Bank Accounts

| | <u>Cash</u> | <u>Certificates of Deposit</u> | <u>Other (Describe)</u> | <u>Total</u> |
|---|-------------|------------------------------------|-----------------------------|--------------|
| <u>Reported Amount on Balance Sheet</u> | \$_____ | \$_____ | \$_____ | \$_____ |
| <u>Bank Balances:</u> | | | | |
| a. Insured (FDIC) or collateralized with securities held by the entity or its agent <u>in the entity's name</u> | \$_____ | \$_____ | \$_____ | \$_____ |
| b. Collateralized with securities held by pledging financial institution's trust department or agent <u>in the entity's name</u> | _____ | _____ | _____ | _____ |
| c. Uncollateralized, including any securities held for the entity but <u>not in the entity's name</u> | _____ | _____ | _____ | _____ |
| TOTAL BANK BALANCES | \$_____ | \$_____ | \$_____ | \$_____ |
| Difference between Balance Sheet and Bank Balances | \$_____ | \$_____ | \$_____ | \$_____ |

The following is a breakdown by banking institution, program, account number and amount of the bank balances shown above:

| <u>Banking Institution</u> | <u>Program</u> | <u>Account Number</u> | <u>Amount</u> |
|----------------------------|----------------|-----------------------|---------------|
| 1. _____ | _____ | _____ | \$_____ |
| 2. _____ | _____ | _____ | _____ |
| 3. _____ | _____ | _____ | _____ |
| 4. _____ | _____ | _____ | _____ |
| TOTAL | | | \$_____ |

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

Were uncollateralized securities fitting the description in (c) above during the year significantly greater than at June 30, 19__? If yes, attach a statement listing the amount(s) and a reason for this occurrence.

2. Investments

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The _____ does (does not) maintain investment accounts as authorized by _____ (note legal provisions authorizing investment by the agency).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name

Note: If during the year the amount of Category 3 securities were greater than at _____ (last day of your fiscal year) attach a statement to that effect and briefly state the cause(s).

Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of this schedule.

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

| <u>Type of Investment</u> | <u>Category of Risk</u> | | | <u>Reported</u> | <u>Fair</u> |
|--|-------------------------|----------|----------|----------------------------------|----------------------------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | <u>Amount</u> | <u>Value</u> |
| Repurchase Agreements | \$_____ | \$_____ | \$_____ | \$_____ | \$_____ |
| US Government Securities | _____ | _____ | _____ | _____ | _____ |
| Common & Preferred Stock | _____ | _____ | _____ | _____ | _____ |
| Commercial Paper | _____ | _____ | _____ | _____ | _____ |
| Corporate Bonds | _____ | _____ | _____ | _____ | _____ |
| Other (list) | _____ | _____ | _____ | _____ | _____ |
| TOTAL | \$===== | \$===== | \$===== | \$===== | \$===== |
| Investments not categorized (List separately) | | | | _____ _____ _____ _____ | _____ _____ _____ _____ |
| TOTAL INVESTMENTS | | | | \$===== | \$===== |

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of June 30, 19__, to resell securities under yield maintenance repurchase agreements:
 1. Carrying amount and market value at June 30 of securities to be resold _____
 2. Description of the terms of the agreements _____
- e. Investment types owned during the year but not owned as of June 30 _____

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19____

f. Losses during the year due to default by counterparties to deposit or investment transactions _____

g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

h. Source of legal or contractual authorization for use of reverse repurchase agreements _____

i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of the Balance Sheet Date

j. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____

k. Commitments on June 30, 19____, to repurchase securities under yield maintenance agreements _____

l. Market value on June 30, 19____, of the securities to be repurchased _____

m. Description of the terms of the agreements to repurchase _____

n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____

o. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

- q. Basis for determining which investments, if any, are reported at amortized cost _____
- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- t. Any involuntary participation in an external investment pool _____
- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- v. Any income from investments associated with one fund that is assigned to another fund _____

P. YEAR 2000 DISCLOSURE

Agencies will be required to disclose any significant amount of resources committed-contracted (amounts encumbered) at June 30, 1999, to address Y2K issues for computer systems and other electronic equipment.

| <u>System(s)</u> | <u>Amount Committed</u> |
|------------------|-------------------------|
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

Q. ENCUMBRANCES

The following are multi-year contracts whose payments are to be liquidated with statutorily dedicated funds: (Show each year separately). Show General Fund separately from statutorily dedicated funds. An example would be certain payments made by the Department of Natural Resources. Obligations are made against the Wetlands Conservation and Restoration Fund for contracts which are let for two to five years in the future.

Examples:

General Fund

Contract 1

Contract 2

Wetlands Fund

Lottery Proceeds Fund

R. PAYROLL AND RELATED BENEFITS ACCRUAL

Agencies will be required to reflect the 1998-99 accrued personal services cost for this fiscal year on the accompanying financial statement. The following schedule will aid you in doing so. As most agency units pay their employees biweekly this would require a fiscal year 1997-98 accrual calculation based on twelve (12) days and the fiscal year 1998-99 calculation will be based on thirteen (13) days. Agencies must also determine the federal match on this accrual calculation.

| | <u>F/Y 1997-98</u> | <u>F/Y 1998-99</u> |
|---|--------------------|--------------------|
| 1. 7/03/98 Payroll (Gross & Related) \$_____ | | |
| 2. 7/02/99 Payroll (Gross & Related) \$_____ | | |
| | X 120.0% | X 130.0% |
| 3. Payroll Accrual | \$_____ | \$_____ |
| 4. Estimated Federal receivable attributed to the accrual shown above | \$_____ | \$_____ |

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

Expenditure Schedule

| | |
|---|---------|
| 5. Total Programs from Schedule 1 | \$_____ |
| 6. Less 1997-98 accrual from line 3, Column 1(above) | _____ |
| 7. Add 1998-99 accrual from line 3, Column 2(above) | _____ |
| 8. To Statement B (this should be the total for all programs) | \$_____ |
| <u>Federal Receivable Attributed to Payroll Accrual</u> | |
| 9. Federal Funds line 4, Column VIII, Schedule 3 or line 1, Column V, Schedule 3-1 | _____ |
| 10. Less 1997-98 accrual from line 4, Column 1(above) | _____ |
| 11. Add 1998-99 accrual from line 4, Column 2(above) | _____ |
| 12. To Statement B (line 4) - Federal Funds | \$_____ |

S. **TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither is such data comparable to a consolidation.

T. **FUND DEFICITS**

The following individual funds had deficits for the year ended June 30, 19__:

| <u>FUND</u> | <u>Amount</u> |
|-------------|---------------|
| _____ | \$_____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Total | \$_____ |

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These deficits were the results of (describe) _____

_____.

The deficits will be resolved (describe) _____

_____.

U. RESERVE FOR CONTINUING OPERATION(S)

The Unit is by statute allowed to retain residual fund balance in order to finance future operations. For the fiscal year ended June 30, 19__ the amount reserved was \$_____.

| <u>Office/Fund</u> | <u>Louisiana Revised Statute</u> | <u>Reserve for Continuing Operations</u> |
|--------------------|--|--|
| _____ | _____ | \$_____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| | TOTAL | \$_____ |

V. IN-KIND CONTRIBUTIONS

(List all in-kind contributions that are not included in the accompanying financial statements.)

| <u>In-Kind Contributions</u> | <u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u> |
|------------------------------|---|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| TOTAL | ===== |

(NOTE: In-kind contributions represent things of value donated or received by your agency, from an outside source, which would otherwise create an expenditure to the agency if the agency was required to purchase the goods or services from current resources. Examples are 1) pharmacy items donated to a

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

state hospital from a pharmaceutical company, 2) food items donated to a state prison from the U.S. Department of Agriculture, or 3) donated fixed assets, recorded at fair market value, and also recorded in general fixed assets. Do not include within the in-kind contribution funds contributed by local governments or nonprofit organizations to provide program matching shares.

W. RELATED PARTY TRANSACTIONS

List all related party transactions as defined by FASB 57 including the description of all relationships, the transactions, the dollar amount of the transactions and any amounts to or from which result from related party transactions.

X. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by one entity to a third-party recipient for the employees of another, legally separate entity. One of the two entities party to on-behalf payments for fringe benefits and salaries may be a non-governmental entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends.

Reporting:

1) Employer Entity:

The amount of revenues recognized (received) during the year plus any receivables at year end by third-party recipients for fiscal year 19__ is \$_____.

The amount of expenditures/expenses when the employer entity is not legally obligated to make payments is recognized as the amount of revenues recognized. The amount of expenditures/expenses recognized for fiscal year 19__ is \$_____.

The amount of expenditures/expenses when the employer entity is legally obligated to make payments is recognized based on the accounting standards applicable to that type of transaction. For example, if contributions are made to a pension plan, the expenditure/expense should be recognized following pension accounting standards. The amount of expenditures/expenses recognized for fiscal year 19__ is \$_____.

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NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

2) Paying Entity:

A paying entity would not recognize any revenues for on-behalf payments for fringe benefits.

The amount of expenditures/expenses recognized and classified by the paying entity is the same amount it would classify similar cash grants to other entities. The amount of expenditures/expenses recognized for fiscal year 19__ is \$_____.

Disclosure:

The following on-behalf payments that are contributions to a pension plan for which the agency is not legally responsible are:

| <u>Contributor</u> | <u>Pension Plan</u> |
|--------------------|---------------------|
|--------------------|---------------------|

Y PASS-THROUGH GRANTS

Pass-through grants are grants and other forms of financial assistance received by governmental entities to be transferred to or spent, according to legal or contractual requirements, on behalf of secondary recipients, which may or may not be a governmental entity or agency. Pass-through grants are grants which meet any of the following criteria:

- The government entity monitors secondary recipients for compliance with program requirements.
- The governmental entity determines secondary recipients eligibility even if the grantor's eligibility criteria are used.
- The governmental entity is able to determine how grant funds are to be allocated.
- The governmental entity has direct financial involvement in administration of the grant, such as financing part of the program costs for matching purposes or being liable for disallowed costs. This does not apply to incidental administrative costs.

List below the grant name, federal identification number, and amount received during the fiscal year of any grants that you have received which do not meet any of the criteria outlined above.

| <u>Grant Name</u> | <u>Fed. Ident. Number</u> | <u>Amount Received</u> |
|-------------------|---------------------------|------------------------|
|-------------------|---------------------------|------------------------|

- 1.
- 2.
- 3.

STATE OF LOUISIANA

(Agency Name)

NOTES TO THE FINANCIAL STATEMENTS, JUNE 30, 19__

Z. PER DIEM PAID BOARD (COMMISSION) MEMBERS

Per diem payments are presented on Schedule 10. The per diem payments are authorized by Louisiana Revised Statute _____, and are presented in compliance with Senate Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

A1. CONSULTANT FEES FOR REASIBILITY STUDIES AND OTHER SPECIAL REPORTS

Schedule 11 presents professional services payments made for consultant fees for feasibility studies and other special reports. This schedule is prepared in compliance with Senate Concurrent Resolution No. 35 of the Regular Session of 1974.

A2 SUBSEQUENT EVENTS (Describe)

Information for Note O “Deposits with Financial Institutions and Investments”

Purpose:

- Note O provides the required disclosures about the governmental entities’ deposits with financial institutions and investments. The disclosures required for deposits and investments as of the balance sheet date provides information about the credit risk and market risk of the deposits and investments and are designed to provide users of the financial statements information about the potential for losses associated with the deposits and investments.

I. Comparison of amounts disclosed for GASB 3 requirements in Note O to amounts shown on the Balance Sheet:

- Generally, the amounts of cash and investments on the balance sheet will not be classified exactly the way they would be classified in Note O.
- “Deposits with Financial Institutions” and “Investments” in Note O may be reported on the balance sheet using titles or line items that are different than those in Note O, or they may be combinations of titles or line items. For instance, “Deposits” in Note O may come from several line items on the balance sheet such as “Cash in Bank” and “CD’s”, or even “Investments” (See section II below that gives further guidance on what should be considered “Deposits” in note O).
- Line items on the balance sheet may include amounts that would be deposits in Note O, and may also include amounts that would be investments in Note O. Also, cash and cash equivalents line items on the balance sheet may include amounts that are not deposited in bank accounts of the entity and therefore would not be reported in Note O at all, such as petty cash, cash on hand, and treasury cash.
- Each line item on the balance sheet that involves cash or investments, including any restricted cash and/or investments, needs to be analyzed to determine what is included in the item and how it should be disclosed in Note O.
- There is not a requirement to provide a reconciliation between Note O disclosures and the amounts on the balance sheet, but preparing one could be useful. If a reconciliation is prepared, the total of the balance sheet cash, cash equivalents, and investments line items should equal the total of the deposits and investments in Note O (unless the balance sheet cash includes cash not deposited in bank accounts as mentioned above).

II. “Deposits with Financial Institutions” section of Note O:

- Generally, this section of the GASB 3 disclosure, previously titled “Cash and Cash Equivalents”, refers to the various examples of “Deposits With Financial Institutions” (See A. for examples). The term “cash and cash equivalents” is used in reference to GASB Statement 9 that affects presentation for the balance sheet and statement of cash flows, not the note disclosures required by GASB Statement 3. “Deposits with Financial Institutions” include deposit accounts in banks, savings and loan associations, and credit unions. They can be demand, savings, or time accounts, including negotiable order of withdrawal (NOW) accounts and non-negotiable CD’s. As stated previously, deposits for GASB 3 disclosure may be a combination of balance sheet line items or titles.
- Do not include treasury cash, petty cash not in a bank account, or cash on hand in Note O. If a reconciliation of Note O and the balance sheet is prepared as mentioned previously, these amounts would be reconciling items.

A. Examples and/or definitions:

Nonnegotiable Certificates of Deposit – Nonnegotiable CDs are time deposits that are placed by depositors directly with financial institutions and generally are subject to a penalty if redeemed before maturity. These are treated as **deposits** for GASB 3 Note disclosures. (Negotiable CDs are securities that are normally sold in \$1 million units that are traded in a secondary market. These are treated as **investments** for GASB 3 Note disclosures.)

Money Market Accounts – financial institution “money market” accounts are simply deposits that pay interest at a rate set to make the accounts competitive with money market mutual funds. They should be treated like any other deposit account for GASB 3 Note disclosures.

Bank Investment Contracts (BICs) – A BIC is a general obligation instrument issued by a bank, typically to a pension plan, that provides for a guaranteed return on principal over a specified period. Since these are issued by a bank, they are treated as **deposits** for GASB 3 Note disclosures.

B. Other definitions as applied to deposits:

Insured (Insurance) – deposits are insured by federal deposit insurance (FDIC), state deposit insurance, multiple financial institution collateral pools that insure public deposits, and even commercial insurance (if scope of coverage would be substantially the same as FDIC).

Collateral – Security pledged by a financial institution to a government entity for its deposits.

III. “Investments” section of Note O:

- Investments for GASB 3 requirements are either “categorized as to level of credit risk” or “not categorized”, and are generally classified by whether they fit the definition of securities or not (see the definition of securities in section IV.C.).

A. Types of investments that can be categorized as to level of risk & definitions/examples:

(In general, investments that fit the definition of securities are categorized in categories of risk.)

1. Repurchase Agreements – An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.
2. U.S. Government Obligations – examples include treasury bills, treasury notes and treasury strips; obligations of certain U.S. Government Agencies such as FNMA, FHLB, or SLMA.
3. Common & Preferred Stock – a security that represents an ownership interest in an entity.
4. Commercial Paper – An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. Almost all commercial paper is rated as to credit risk by rating services.
5. Corporate Bonds
6. Other – It is not appropriate to present material amounts of investments as “Other”,

unless the narrative of the note disclosure describes the composition of the “Other” category.

- a. Closed-end Mutual Fund – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. A closed-end mutual fund has a constant number of shares, the value depends on the market supply and demand for the shares rather than directly on the value of the portfolio, the fund does issue certificates, and the securities are traded on a stock exchange.

B. Types of investments that cannot be categorized as to level of risk:

(In general, investments that are not securities are not classified in categories of credit risk)

1. Reverse Repurchase Agreements - An agreement in which a broker-dealer or financial institution (buyer-lender) transfers cash to a governmental entity (seller-borrower); the entity transfers securities to the broker-dealer or financial institution and promises to repay the cash plus interest in exchange for a) the same securities, or for b) different securities.
2. Open-end Mutual Funds – The investment company sells shares of its stock to investors and it invests on the shareholders’ behalf in a diversified portfolio of securities. In contrast to a closed-end mutual fund, the open-end mutual fund creates new shares to meet investor demand, the value depends directly on the value of the portfolio, the fund does not issue certificates but sends out periodic statements showing account activity. These investments are not evidenced by securities that exist in physical or book entry form.
3. Investments in pools managed by another government – GASB 3 does not require the investment to be categorized as to level of risk, but it does not prohibit it either. Generally, these investments would not be categorized because they are not evidenced by securities that exist in physical or book entry form.
4. Private placements, such as venture capital and limited partnerships
5. Investments in real estate, annuity contracts, and direct investments in mortgages

IV. Categories of Credit Risk for Deposits and Investments:

- Deposits and investments are subject to several types of risks, mainly credit risk and market risk.

Credit risk - defined as the risk that a counterparty to an investment transaction will not fulfill its obligations and can be associated with the issuer of securities, with a financial institution holding deposits, or with a party holding investment or collateral securities.

Market risk – defined as the risk that the market value of investment securities, collateral securities protecting a deposit, or securities of a repurchase agreement will decline.

Credit risk categories – concerned with custodial credit risk, which is the risk that a government will not be able (1) to recover deposits if the depository financial institution fails or (2) to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

A. Deposits are classified into three categories depending on whether they are

insured or collateralized, and who holds the collateral and how the collateral is held.

Collateral – Securities pledged by the financial institution for the purpose of securing the governmental entity's deposits.

Collateralized – When the entity's deposits are secured with securities pledged by the financial institution holding the deposits.

Category 1 – Deposits that are covered by insurance (FDIC) or collateralized with securities that are held by the entity in the entity's name or registered in the entity's name.

Category 2 – Deposits that are not insured but are collateralized with securities that are held by the financial institution's trust department or agent and are in the entity's name.

Category 3 – Deposits that are not covered by insurance and also are not collateralized. Not collateralized includes when the securities are held by the financial institution's trust department or agent and they are not in the entity's name.

B. Investments are classified into three categories depending on whether they are insured or registered, and who holds the securities and how they are held.

Category 1 – Investments that are insured (SIPC) or registered in the entity's name, or securities held by the entity or agent in the entity's name.

Category 2 – Investments that are not insured or registered, and the securities are held by the counterparty's trust department or agent in the entity's name.

Category 3 – Investments that are not insured or registered, and the securities are held by the counterparty or its trust department or agent not in the entity's name.

C. Securities as applied to the credit risk categories :

Securities – a transferable financial instrument that evidences ownership or creditorship. Securities can be in either paper or book-entry form.

1. Examples of securities that are often held by or pledged to (as collateral) governmental entities include:

- a. treasury bills, treasury notes, treasury bonds
- b. federal agency obligations
- c. corporate debt instruments (including commercial paper)
- d. corporate equity instruments
- e. negotiable CD's (keyword here is negotiable)
- f. bankers' acceptances
- g. shares of closed-end mutual funds (keyword here is closed-end)
- h. shares of unit investment trusts

2. Instruments or investments that are not securities include:

(These instruments or investments would therefore not be categorized as to credit risk for GASB 3 disclosure requirements)

- a. investments made directly with another party (such as limited partnerships)
- b. real estate
- c. direct investments in mortgages and other loans

- d. investments in open-ended mutual funds (keyword here is open-ended)
- e. pools managed by other governments
- f. annuity contracts
- g. guaranteed investment contracts